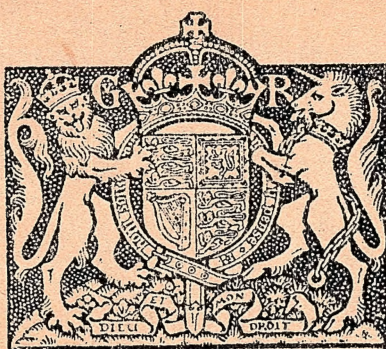


Kerr Porter. Ch. Clr.
'37.



MINISTRY OF RECONSTRUCTION

Report of the Machinery of Government Committee

*Presented to Parliament by Command
of His Majesty*

LONDON:

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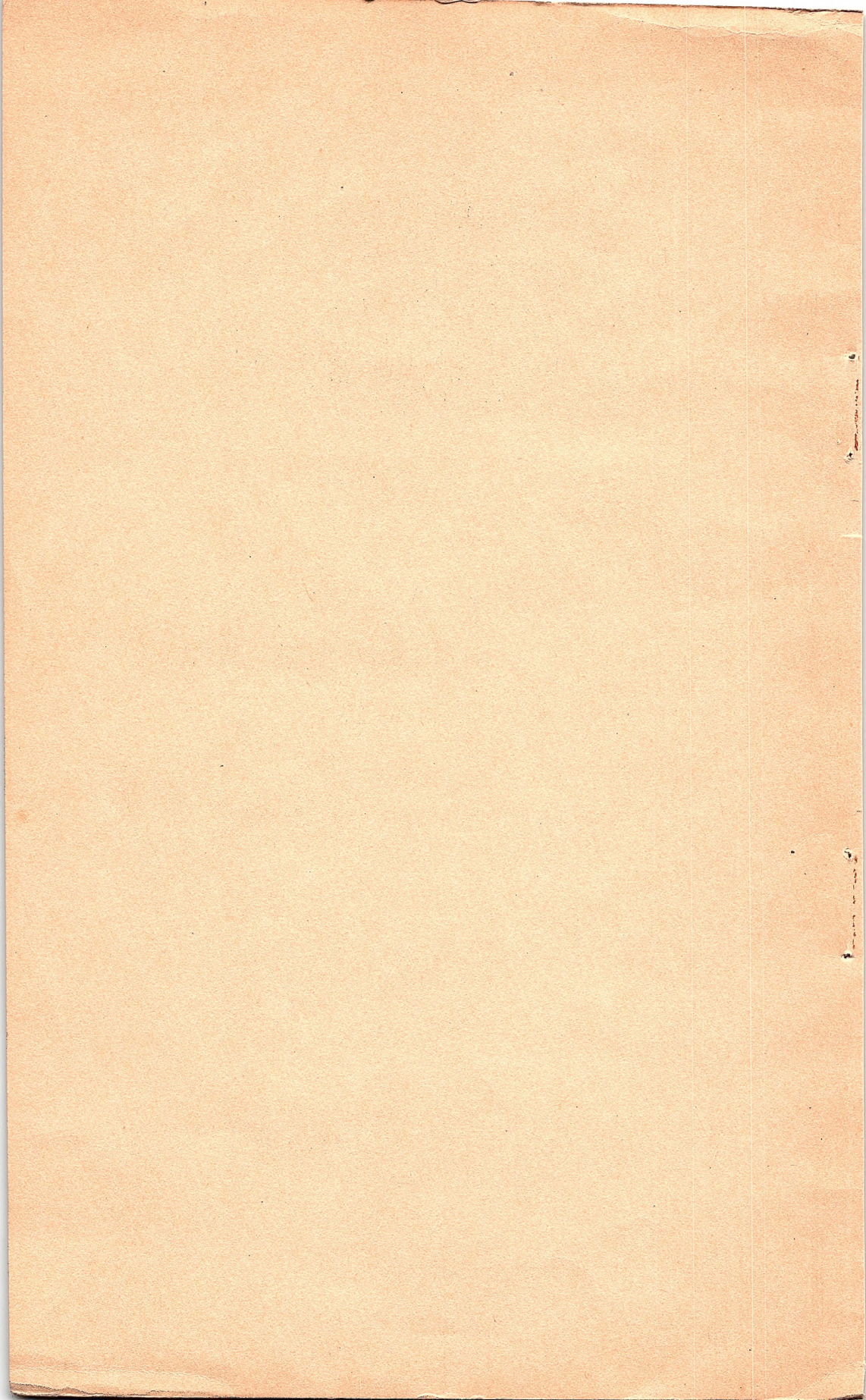
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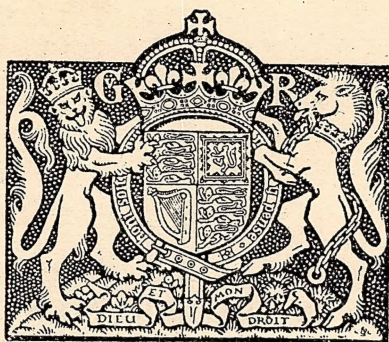
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MACHINERY OF GOVERNMENT COMMITTEE

The VISCOUNT HALDANE OF CLOAN, O.M., K.T. (Chairman).

The RIGHT HON. E. S. MONTAGU, M.P.

SIR ROBERT L. MORANT, K.C.B.

The RIGHT HON. SIR GEORGE H. MURRAY, G.C.B.

COLONEL SIR ALAN SYKES, Bart., M.P.

The RIGHT HON. J. H. THOMAS, M.P.

Mrs. SIDNEY WEBB.

Mr. MICHAEL HESELTINE (*Secretary*).

Terms of Reference

To enquire into the responsibilities of the various Departments of the central executive Government, and to advise in what manner the exercise and distribution of the Government of its functions should be improved.

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MACHINERY OF GOVERNMENT COMMITTEE

REPORT : PART I

To the Right Hon. C. Addison, M.D., M.P., Minister of Reconstruction.
Sir,

1. The Committee, appointed as a Sub-Committee of the Reconstruction Committee in July, 1917, and confirmed in their appointment on the establishment of the Ministry of Reconstruction, have the honour to report as follows :—

Terms of Reference and Procedure

2. We were appointed “To enquire into the responsibilities of the various Departments of the central executive Government, and to advise in what manner the exercise and distribution by the Government of its functions should be improved.”

3. We have endeavoured to define in the first place the general principles which should govern the distribution of the responsibilities in question, and in the second place to illustrate the application of these principles in sufficient outline. Part I. of this Report deals with the results of our enquiries under the first of these heads, and Part II. with the results under the second. As regards the latter, it should be explained that we have not attempted to deal exhaustively with all the Departments of State, or to do more than give illustrations, in such detail as seemed practicable, of the manner in which the general principles laid down in Part I. might be applied ; the reason being that, in present circumstances, there must necessarily be great uncertainty as to the extent to which the sphere of action of the central Government may be enlarged or restricted after the war, and as to the number and functions of the Departments which will be required.

4. Our investigations under the first head have made it evident to us that there is much overlapping and consequent obscurity and confusion in the functions of the Departments of executive Government. This is largely due to the fact that many of these Departments have been gradually evolved in compliance with current needs, and that the purposes for which they were thus called into being have gradually so altered that the later stages of the process have not accorded in principle with those that were reached earlier. In other instances Departments appear to have been rapidly established without preliminary insistence on definition of function and precise assignment of responsibility. Even where Departments are most free from these defects, we find that there are important features in which the organisation falls short of a standard which is becoming progressively recognised as the foundation of efficient action.

The Cabinet

5. But before dealing either generally or in detail—with Departmental organisation, some reference must be made to the functions and procedure of the Cabinet, which is the mainspring of all the mechanism of Government. Its constitution and the methods of its procedure must depend to a large extent on the circumstances of the time, on the personality of the Prime Minister, and on the capacities of his principal colleagues. But we may be permitted to

offer some general observations on the purposes which the Cabinet is, in our view, intended to serve, and the manner in which these purposes can most effectually be carried out.

6. The main functions of the Cabinet may, we think, be described as :—

- (a) the final determination of the policy to be submitted to Parliament ;
- (b) the supreme control of the national executive in accordance with the policy prescribed by Parliament ; and
- (c) the continuous co-ordination and delimitation of the activities of the several Departments of State.

7. For the due performance of these functions the following conditions seem to be essential, or, at least, desirable :—

- (i) The Cabinet should be small in number—preferably ten, or, at most, twelve ;
- (ii) it should meet frequently ;
- (iii) it should be supplied in the most convenient form with all the information and material necessary to enable it to arrive at expeditious decisions ;
- (iv) it should make a point of consulting personally all the Ministers whose work is likely to be affected by its decisions ; and
- (v) it should have a systematic method of securing that its decisions are effectually carried out by the several Departments concerned.

8. It is scarcely necessary to consider whether these conditions were fulfilled by the Cabinets and the Cabinet procedure to which we had become accustomed in the generation which preceded the outbreak of the war. It is sufficient to point out that during the war an entirely new type of Cabinet has been evolved, with new methods of procedure.

The Report of the War Cabinet for 1917 (Cd. 9005) opens with the following statement* :—

“ The most important constitutional development in the United Kingdom during the last year has been the introduction of the War Cabinet system. This change was the direct outcome of the War itself. As the magnitude of the War increased, it became evident that the Cabinet system of peace days was inadequate to cope with the novel conditions. The enlarged scope of Government activity and the consequent creation of several new departments, made a Cabinet, consisting of all the Departmental Ministers meeting under the Chairmanship of the Prime Minister, far too unwieldy for the practical conduct of the War. It was extremely difficult for so large a body to give that resolute central direction which became more imperative the more the population and resources of the nation had to be organised for a single purpose—the defeat of German militarism.”

9. It seems probable that the constitution and procedure of the War Cabinet will not be found entirely suitable to the conditions which will prevail when peace has been restored. But we think that many of the considerations above mentioned will be found to apply with equal force ; and that a rearrangement of the supreme direction of the executive organisation as it formerly existed has been rendered necessary, not merely by the war itself, but by the prospect after the war.

Such a rearrangement has been attempted, and the question whether it has yet assumed an adequate form, or works as efficiently as it might, is quite

* See also Lord Curzon's speech in the House of Lords (Official Report, 19th June, 1918).

a different question from whether it is possible to return to the old order of things. We feel confident that the latter question must be answered in the negative.

10. Whether the new type of Cabinet should consist of Ministers in charge of the principal Departments of State, or of Ministers "without portfolio" able to concentrate their whole attention upon the problems submitted for their consideration, or of Ministers of both kinds, are questions which we do not propose to discuss here. But we think that there is one feature in the procedure of the War Cabinet which may well assume a permanent form, namely, the appointment of a Secretary to the Cabinet charged with the duty of collecting and putting into shape its agenda, of providing the information and material necessary for its deliberations, and of drawing up records of the results for communication to the Departments concerned.

11. There are, however, certain occasions on which the Cabinet meets, not for the purpose of taking decisions to be translated into executive action, but for deliberation upon questions of policy involving special considerations, and the suggestion in the foregoing paragraph implying the participation of a Secretary in the proceedings is not put forward as being applicable to meetings of this character.

Formulation of Policy

12. Turning next to the formulation of policy, we have come to the conclusion, after surveying what came before us, that in the sphere of civil government the duty of investigation and thought, as preliminary to action, might with great advantage be more definitely recognised. It appears to us that adequate provision has not been made in the past for the organised acquisition of facts and information, and for the systematic application of thought, as preliminary to the settlement of policy and its subsequent administration.

13. This is no new notion. There are well-known spheres of action in which the principle has been adopted of placing the business of enquiry and thinking in the hands of persons definitely charged with it, whose duty is to study the future, and work out plans and advise those responsible for policy or engaged in actual administration. The reason of the separation of work has been the proved impracticability of devoting the necessary time to thinking out organisation and preparation for action in the mere interstices of the time required for the transaction of business.

14. But the principle ought by no means to be limited in its application to military and naval affairs. We have come to the conclusion that the business of executive Government generally has been seriously embarrassed from the incomplete application to it of similar methods. It will not be possible to apply these methods as fully in the sphere of civil government, because the exact objectives of civil administration are less obvious and less easily defined than those with which the Navy and the Army are confronted; and the elaboration of policy cannot be so readily distinguished from the business of administration. But we urge strongly (a) that in all Departments better provision should be made for enquiry, research, and reflection before policy is defined and put into operation; (b) that for some purposes the necessary research and enquiry should be carried out or supervised by a Department of Government specially charged with these duties, but working in the closest collaboration with the administrative Departments concerned with its activities; (c) that special attention should be paid to the methods of recruiting the personnel to be employed upon such work; and (d) that in all Departments the higher

officials in charge of administration should have more time to devote to this portion of their duties.

15. The establishment in 1915, under the Lord President of the Council, of a new Department to develop and organise the knowledge required for the application of Science to Industry,* to keep in close touch with all Departments concerned with scientific research, to undertake researches on behalf of Departments, and to stimulate the supply of research workers, marked a stage in the recognition of a need which is not merely local or departmental, but national, and there is in our opinion good reason for extending what has been done here to other fields in which thinking is required in aid of administration.

16. A Cabinet with such knowledge at its disposal would, we believe, be in a position to devolve, with greater freedom and confidence than is at present the case, the duties of administration, and even of legislation. Even in countries where, as in the United States, there is a Federal Government with but little power to interfere in local administration, the value of systematic investigation and accumulation of general knowledge by Departments of the central Government, though unaccompanied by the power to apply it administratively, is regarded as of great importance; and we have come to the conclusion that where, as in this country, Parliament and the Cabinet are supreme, the analogy applies still more strongly.

17. The general question of devolution we do not regard as within the scope of our reference. However far in the direction of devolution Parliament may decide to go, the principle of providing the supreme Government with exact knowledge of the subject-matter to be dealt with is not the less essential. The possession of such knowledge would not, in our opinion, hinder free devolution, but would really facilitate it. We may here add that the gradual introduction of the co-operation of the Ministers of the Dominions in affairs which belong to a Cabinet now charged with the interests of the Empire as a whole, points to the probability that the organisation of the kind of knowledge we have in view is likely to become requisite in new directions.

Allocation of Functions between Departments

18. In addition to the two problems of the constitution and procedure of the Cabinet, and the organisation of enquiry and research, there is another which it is essential to solve for the smooth working of the executive as a whole. Upon what principle are the functions of Departments to be determined and allocated? There appear to be only two alternatives, which may be briefly described as distribution according to the persons or classes to be dealt with, and distribution according to the services to be performed. Under the former method each Minister who presides over a Department would be responsible to Parliament for those activities of the Government which affect the sectional interests of particular classes of persons, and there might be, for example, a Ministry for Paupers, a Ministry for Children, a Ministry for Insured Persons, or a Ministry for the Unemployed. Now the inevitable outcome of this method of organisation is a tendency to Lilliputian administration. It is impossible that the specialised service which each Department has to render to the community can be of as high a standard when its work is at the same time limited to a particular class of persons and extended to every variety of provision for them, as when the Department concentrates itself on the provision of one

* See the Reports of the Committee of the Privy Council for Scientific and Industrial Research, 1915-16 (Cd. 8336), 1916-17 (Cd. 8718), and 1917-18 (Cd. 9144).

particular service only, by whomsoever required, and looks beyond the interests of comparatively small classes.

19. The other method, and the one which we recommend for adoption, is that of defining the field of activity in the case of each Department according to the particular service which it renders to the community as a whole. Thus a Ministry of Education would be concerned predominantly with the provision of education wherever, and by whomsoever, needed. Such a Ministry would have to deal with persons in so far only as they were to be educated, and not with particular classes of persons defined on other principles. This method cannot, of course, be applied with absolute rigidity. The work of the Education Department, for example, may incidentally trench on the sphere of Health, as in the arrangements of school houses and care for the health of scholars. Such incidental overlapping is inevitable, and any difficulties to which it may give rise must in our opinion be met by systematic arrangements for the collaboration of Departments jointly interested in particular spheres of work. But notwithstanding such necessary qualifications, we think that much would be gained if the distribution of departmental duties were guided by a general principle, and we have come to the conclusion that distribution according to the nature of the service to be rendered to the community as a whole is the principle which is likely to lead to the minimum amount of confusion and overlapping. In this way such divisions of the business of Government as Health, Education, Finance, Research, Foreign Affairs, and Defence would each be under separate administration, the Cabinet being in a position of supreme executive direction, and Parliament holding the various Ministers directly responsible to it for the efficiency of the service with which they were respectively charged.

20. It is, moreover, only by distributing business between Departments on this principle that the acquisition of knowledge and the development of specialised capacity by those engaged in the several Departments can be encouraged to the full. These results are obviously most likely to be secured when the officers of a Department are continuously engaged in the study of questions which all relate to a single service, and when the efforts of the Department are definitely concentrated upon the development and improvement of the particular service which the Department exists to supervise.

21. It will be noticed that in certain cases the two principles of distribution which we have contrasted, namely, that of allocation according to the class of persons dealt with, and that of allocation according to the nature of the service rendered to the community, may lead to an identical concentration of functions. Thus, the great service of National Defence, which (whether given to one, or to two or to three Ministries) is essentially distinct from the function of the other Ministries, is also marked off by dealing, principally and specifically, with the large number of persons employed by the Government in all the various branches of the naval, military, and air services. In like manner, if the railways and canals should be nationalised, it would be necessary to make the administration of this great service of National Transport a separate Department, whether we had regard to the nature of the service thus rendered to the community, or to the dealings with so extensive a staff as would have to be employed. In short, there are, in relation to such nationalised services, two distinct forms of expert capacity which it is essential that the organisation should develop. One of these is ability in the recruitment, promotion, co-ordination, and direction of a large body of persons of different grades and capacities, engaged in a common enterprise of a peculiar nature. It is this part of the work which tends to

take up a large, and hitherto perhaps the greater, part of the time and thought of the Minister and his principal advisers. The other form of special ability in such nationalised occupations, certainly no less important, but of a different nature, is ability for the fulfilment of the technical requirements of the service which the Department has to render to the community. Thus, the Minister in charge of the Post Office is responsible to Parliament, both for the elaboration of a progressively increasing efficiency in the services which the Department undertakes for the community as a whole, such as the national systems of communication and remittance; and for the proper organisation of a very large staff of employees.

22. We may conclude that where any great enterprise is nationalised—in the sense of being carried out, in the main, by persons in direct Government employment—as is the case with regard to National Defence and the Postal and Telegraph service, and as may possibly be the case with regard to railways and the coal supply, such an administration must form the sphere of a separate Ministry or Ministries.

23. It is with regard to other functions of Government—those that we may term services of administrative supervision or control—that the contrast between the principle of distribution of work among Departments according to the class of persons to be dealt with, and the principle of distribution according to the service to be rendered, becomes more acute.

24. Even if the principle of allocation by services which we suggest is fully applied, cases will continue to arise in which consultation or discussion will be required between Departments, and decisions will be sought from the Cabinet, as to the allocation of new, or the redistribution of existing duties. Each of the Departments may maintain that the duties in question partake mainly of the nature of the service entrusted to the Department's general supervision, and that the proper development of that service will therefore not be secured if the primary responsibility for these duties is placed elsewhere.

25. We are satisfied that the present existence of Departments designed to minister to particular classes of persons greatly increases the complexity of such problems by introducing cross-divisions into the main division by services which ought to prevail. We think that if the functions of Departments could be distributed among Ministries organised mainly on the other principle, it would be easier to determine the allocation to its appropriate Department of any particular function.

26. We suggest that, if this were done, all decisions to concentrate functions in particular Departments should, subject to the main principle of allocation by services, be governed by the extent to which particular functions conduce to the primary end of that Department's administration. This distinction between dominant and subordinate interests in a given piece of work cannot be absolute or irrevocable. It must be drawn for practical purposes, and the decisions which follow from it will rightly be reversed if in process of time a subordinate interest becomes, even temporarily, a dominant one.

27. The distinction cannot be absolute, because work which is of primary interest to one Department may well be within the province of that Department even when some portion of it is also undertaken as a secondary interest by Departments devoted to other ends. If, as we suggest, there should be one Ministry of Education, of Health, and of Finance, in which functions relating primarily to those ends should in each case be concentrated, there must at the same time be, within other Ministries, special branches devoted to educational, hygienic, or financial work as secondary interests of the Ministries

within which they lie. Yet neither the Ministries of the primary interests nor the branches dealing with the secondary interests can operate with full effect unless they are in close and constant touch with each other. Sometimes this communication will need to be so close that there will have to be standing joint bodies of the Departments concerned. We refer in Part II. of this Report to existing arrangements of this kind, and we think that there are many cases in which the introduction of a similar procedure would be found helpful. Sometimes regular or informal communication on specific questions will suffice. But contact of some kind is vital if the service in question is not to languish in Departments in which it is secondary, and if the Department in which it is primary is to exercise its full potentiality for making whatever contribution lies in its power to the general maintenance of the highest possible standard in all branches of the work upon which its main forces are concentrated.

Departmental Organisation

28. We desire under this head to suggest the application of certain methods in regard to the organisation of Departments which seem to us of special importance.

29. *Financial Control.*—We think that it will be agreed that the effective control of Parliament over public expenditure can only be maintained if the organisation of each Department secures to the financial officers of the Department a full opportunity of scrutinising proposals for expenditure at a sufficiently early stage. Due recognition of the importance of financial control within each Department is necessary to enable the Treasury to discharge its responsibility for the general control of public expenditure, and to enable each Minister to explain and defend before Parliament the items of expenditure for which he is responsible.

The form of the arrangements requisite for this purpose will necessarily vary with the extent to which the activities of a particular Department involve the expenditure of money. But, apart from the cases in which a separate Minister of the Department is specifically responsible to Parliament for the finances of the service administered by the Department, and devotes his whole time to financial work, we think that all Departments should include in their staff an officer of high grade specially charged with financial duties, provided with a financial staff sufficiently strong to enable him to maintain a continuous survey of all proposals for expenditure originating within the Department, and regularly consulted before any decision on a matter of financial importance is arrived at by the Minister.

30. *Intra-Departmental Meetings.*—We would draw attention to the arrangements adopted as part of the recent reorganisation of the Board of Trade* for holding regular meetings of the Minister, the Parliamentary Secretaries, the permanent Heads of the Department, and the principal officers concerned, for the purpose of dealing with questions of policy which affect more than one section of the Board. We understand that these arrangements, which are not dissimilar in principle from those governing the operations of the Board of Admiralty and the Army Council, or the recently established Munitions Council in the Ministry of Munitions, have been found satisfactory in working; and we think that the question of applying them might well be considered in other Departments in which the business of the various sections is so closely related as to make it unsafe to rely upon less formal and regular communications between the officers concerned. Whilst the internal arrange-

* See Cd. 8912.

ments for meetings of this kind must, of course, differ from Department to Department, according to the nature and importance of the several functions with which each is charged, we suggest that it will be particularly important to provide that the heads of any professional or technical branches in a Department should be called into consultation at such meetings on questions upon which their expert knowledge may bear.

31. *Organisation and Ministerial Responsibility.*—We think that in arrangements of this kind may be found one answer to the objections which are sometimes raised to placing the sole responsibility for the administration of great Departments in the hands of a single Minister. Attempts have been made to distribute the burden of responsibility by other means. In some cases recourse has been had to the system of administrative Boards. We draw attention to the finding of the Royal Commission on the Civil Service* that this system is less effective in securing responsibility for official action and advice than the system followed in Departments where full responsibility is definitely laid upon the Minister; and we think that where, as in case of the Insurance Commissioners, a Board is set up without explicit statutory provision for a Minister responsible to Parliament for their work, the position is obviously unsatisfactory.

32. But the doctrine of Ministerial responsibility has also been criticised in another way. It has been said that there are certain functions of Government which require for their exercise a judicial temper and a position of independence that cannot be maintained by a Minister who is constantly exposed to criticism in Parliament. It was no doubt for these reasons that a special form of constitution was adopted in the case of the Road Board and the Development Commission; and we have observed a tendency to recommend the adoption of a similar procedure in the case of various bodies which it is proposed to set up in order to further the economic development of the country after the war.†

33. We are so far from thinking that the importance of a service to the community is *primâ facie* a reason for making those who administer it immune from ordinary Parliamentary criticism, that we feel that all such proposals should be most carefully scrutinised, and that there should be no omission, in the case of any particular service, of those safeguards which Ministerial responsibility to Parliament alone provides.

34. *Advisory Committees.*—But the preservation of the full responsibility of Ministers for executive action will not, in our opinion, ensure that the course of administration which they adopt will secure and retain public confidence, unless it is recognised as an obligation upon Departments to avail themselves of the advice and assistance of advisory bodies so constituted as to make available the knowledge and experience of all sections of the community affected by the activities of the Department.

35. In a number of cases effect has already been given to this principle, and Ministers have at their disposal the counsel of standing bodies composed upon various bases and described by a variety of names, either appointed under statutory authority, as in the case of the Consultative Committee of the Board of Education, the Advisory Council of the Scottish Education Department, or

* Fourth Report, Cd. 7338, Ch. IX., paragraphs 68, 69, 72.

† See, for example, the proposals as to a Board "to examine into all applications from industries for State assistance," contained in the Final Report of the Committee on Commercial and Industrial Policy after the War (Cd. 9035, paragraph 255); and the proposals as to the appointment of Electricity Commissioners contained in the Report of the Committee appointed by the Board of Trade to consider the question of Electric Power Supply (Cd. 9062, paragraphs 29, 30).

the Advisory Committee on Health Insurance ; or holding their appointment at the discretion of the Minister concerned, as in the case of the Consumers' Council of the Ministry of Food, or the Advisory Council which is to be attached to the Department of Commerce and Industry in the Board of Trade.

36. The precise form of organisation most suitable to an advisory body or bodies will always depend in the main upon the nature of the business of the Department to which they are to be attached. Different methods of constituting such bodies and calling them into consultation will be required according to the object that they are intended to pursue, which may be the development of the service rendered by a profession to the community, the advancement of knowledge in relation to a particular service, or the maintenance and improvement of the conditions of employment of persons engaged in that service.

37. So long as advisory bodies are not permitted to impair the full responsibility of Ministers to Parliament, we think that the more they are regarded as an integral part of the normal organisation of a Department, the more will Ministers be enabled to command the confidence of Parliament and the public in their administration of the services which seem likely in an increasing degree to affect the lives of large sections of the community.

38. *Employment of Women in the Civil Service.*—Our terms of reference entrust us with the duty of advising "in what manner the exercise and distribution by the Government of its functions should be improved," and we are strongly of opinion that among the changes that should be made as conducive to this end must certainly be included an extension of the range and variety of the duties entrusted to women in the Civil Service and in practically all Departments.

39. The present position in this matter is that in many Departments, and particularly in the Departments established during the war, women form a majority of the total staff. The appointments which they hold are for the most part temporary, and it would clearly be inadvisable to accept the forms of emergency organisation under which women have been thus employed as suitable for incorporation in the permanent structure of Departments. Any such policy might be seriously prejudicial to the possibility of forming a reasoned estimate of the degree of efficiency attainable by women civil servants properly recruited, and regularly trained and organised for Departmental work, under less abnormal conditions. But whatever may be the future of the temporary Departments, and the arrangements for recruiting the Civil Service in future, it seems clear that a further extension of the employment of women in the Civil Service will be necessary.

40. A recommendation to this effect was made by the Royal Commission on the Civil Service, which reported in April, 1914, a few months before the outbreak of War.* The Royal Commission recommended that the Treasury, acting in communication with the various heads of Departments, and after consultation with competent women advisers, should institute an enquiry into the situations in each Department which might with advantage to the public service be filled by qualified women. There has been no opportunity under war conditions of carrying out such an inquiry into principles, and the employment of women in the Civil Service has been extended in order to meet urgent practical needs (many of them doubtless of a temporary character), and without that further investigation and deliberate settlement of principles which the Royal Commission proposed. It has inevitably resulted that the changes since 1914 in the scope and character of the employment of women have

* Fourth Report (Cd. 7338), Ch. X., pp. 87—94.

been made frequently on haphazard lines, without any adequate comparison of the various Departmental methods adopted, whether as to recruitment, as to the proportion of women included in the total staff of Departments, as to supervision, or as to allocation of duties between the women and the men, and without the possibility of applying proper methods of training the large numbers of women continuously entering the Civil Service for the kind of work normally required by Departments. The effects of this may well be unfortunate unless this most important matter be carefully investigated and authoritatively reported upon without delay, and before any substantial modifications of the position as it was left on the cessation of hostilities are decided upon.

41. The Royal Commission was not unanimous on the question whether women should be admitted to the Class I. examination, either immediately or at some future time. The Majority Report recommends that specially qualified women should be eligible for appointment to administrative situations in Departments specially concerned with such services as education, health, and employment, but that such women should be selected by the method used for recruitment of professional officers, and should not be admitted to the Class I. examination. Six members of the Commission suggested as an alternative that a limited number of places should be assigned to women as part of the Class I. examination scheme.

42. The practical question whether women can be found suitable to perform duties comparable with those assigned to men in Class I. has to a large extent found an answer in the experience of the last four years, which has gone far to resolve any doubts upon the point. We understand that in certain Departments women have undertaken duties of the Class I. standard during the greater part of the war period, and have been found to perform these duties to the satisfaction of the Heads of the Departments in which they are employed.

43. We, therefore, think that it is no longer expedient in the public interest to exclude women on the ground of sex from situations usually entered by the Class I. examination, or from other situations usually entered by competition.

44. In our opinion there are, apart from those administrative posts for which either a man or a woman of sufficient education and experience may be equally suitable, certain posts, both in the Higher Division and in other grades, for which women, if properly qualified, are *prima facie* more suitable than men. These posts should, we think, in future be assigned to women, and, as regards other posts, we think that the test of eligibility should have no relation to the question of sex, but should be whether a particular candidate male or female, is in all respects the one who appears best qualified and most likely to perform efficiently the duties attaching to a particular post.

45. With regard to the great majority of permanent appointments to the clerical establishment, which are made after selection by competitive examination conducted by the Civil Service Commissioners, we do not consider that, whether for Class I., the various Intermediate classes, or the Second Division, there is any reason for excluding persons of the female sex from entering for any examination, whatever the form of the educational tests which may in future be prescribed. We think that it should be open to any Department having posts to be filled to specify with regard to each vacancy whether the circumstances of the post and the duties to be performed are such as to make it undesirable for a woman or a man to be appointed, and we are also of opinion that within each Department promotion to higher posts should be dealt with on the same principles.

46. The question of the remuneration of women employed in the Civil Service is, we are aware, one of the difficulties that has delayed the adoption of a considered and homogeneous scheme for their employment in the several Departments. On this, as on other points, whilst we are of opinion that no discrimination can properly be enforced merely on the ground of sex, we refrain from offering observations or recommendations, since, to be of any value, these would require the consideration of various highly technical and somewhat controversial questions, not only in the economic sphere, but in many other directions, on many of which there is at present an insufficiency of trustworthy records of experience. Further, we understand that at the present time the Government are conducting enquiries into a number of these questions, which have from certain points of view come to need very early consideration and decision.

47. We restrict ourselves here, therefore, to the general statement of our conviction (i.) that the absence of any substantial recourse to the services of women in the administrative staffs of Departments, and still more in their Intelligence branches (which we are unanimous in hoping to see set up by an increased number of Departments*), has in the past deprived the public service of a vast store of knowledge, experience and fresh ideas, some of which would, for particular purposes, have been far more valuable and relevant than those of even the ablest of the men in the Civil Service; and (ii.) that for the effective arrangement and performance of the largely extended duties which we think that women should undertake in the Civil Service, it will be essential that one or more women of special qualifications and experience should regularly be included in responsible posts as part of the staff of that separate branch of the Treasury which we have unanimously suggested† should be set up to specialise in "establishment" work, and to study all questions of staff, recruitment, classification, etc., in application to the several Departments of State.

Parliamentary Control

48. We cannot conclude this Part of our Report without a reference to the bearing of our enquiry upon the problem of Parliamentary Control. Our terms of reference direct us to frame our recommendations with the primary object of promoting the efficient and economical working of the public service. But we have throughout our deliberations borne in mind the fact that any action directed to this end would fail to achieve its purpose if it were to have the effect of disturbing the balance of authority between the Legislature and the Executive.

It would, we think, be generally felt that any improvement in the organisation of the Departments of State which was so marked as substantially to increase their efficiency should have as its correlative an increase in the power of the Legislature as the check upon the acts and proposals of the Executive.

49. We need scarcely say that we adhere without reserve to this view. But our duty is limited to the consideration of the present defects of departmental organisation and the suggestion of appropriate remedies. It is for Parliament to see that its own supremacy is not impaired, and we have not felt that we could properly do more than draw attention to the importance

* See paragraph 14 above, and Part II., Chapter IV., paragraph 15, p. 25.

† See Part II., Chapter I., paragraph 20, p. 21.

which attaches to certain recommendations recently made by a Parliamentary body, the Select Committee on National Expenditure, with the object of securing more effective control by Parliament over public expenditure, and to a further question arising out of these recommendations.

50. In their Seventh Report* (Session 1918), on the Form of Public Accounts, the Select Committee express the view that Estimates and Accounts prepared on the present basis are of little value for purposes of control either by Departments, the Treasury, or Parliament; and recommend a detailed scheme of revision with a view to facilitating control by making the Estimates and Accounts more significant of the nature of the expenditure proposed or recorded in them, and of the value of the returns obtained for that expenditure.

51. In their Ninth Report† (Session 1918), on the Procedure of the House, the Select Committee recommend the appointment of two, or if necessary three, Standing Committees on Estimates, who, with the assistance of a new Officer of the House, to be called the Examiner of Estimates, should consider the Estimates and report to the House any economies which they regard as desirable. In the opinion of the Select Committee "it should not be within the competence of the Committees to make any recommendations inconsistent with the policy implied in the Estimates."

52. We should hesitate to enter further upon questions of procedure which Parliament alone can examine or determine with authority, were it not that it has been definitely suggested to us that the efficiency of the public service would be improved if steps were taken to secure the continuous and well-informed interest of a Parliamentary body in the execution by each Department of the policy which Parliament has laid down.

53. It has been suggested that the appointment of a series of Standing Committees, each charged with the consideration of the activities of the Departments which cover the main divisions of the business of Government, would be conducive to this end. Any such Committees would require to be furnished with full information as to the course of administration pursued by the Departments with which they were concerned; and for this purpose it would be requisite that Ministers, as well as the officers of Departments, should appear before them to explain and defend the acts for which they were responsible.

54. It is not for us to attempt to forecast the precise procedure under which interrogations and requests for papers emanating from such Committees should be dealt with. But the particular argument in favour of some such system to which we feel justified in drawing attention is that if Parliament were furnished, through such Committees of its members, with fuller knowledge of the work of Departments, and of the objects which Ministers had in view, the officers of Departments would be encouraged to lay more stress upon constructive work in administering the services entrusted to them for the benefit of the community than upon anticipating criticism which may, in present conditions, often be based upon imperfect knowledge of the facts or the principles at issue.

CONCLUSION.

55. If the principle which we have suggested in this Part of our Report, that the business of the various Departments of Government should be distributed as far as possible according to the class of service with which they

* H.C. 98/1918.

† H.C. 121/1918.

are concerned, be accepted, the business of Government would fall into one or other of the following main divisions :—

- I.—Finance.
- II. and III.—National Defence and External Affairs.
- IV.—Research and Information.
- V.—Production (including Agriculture, Forestry, and Fisheries),
Transport, and Commerce.
- VI.—Employment.
- VII.—Supplies.
- VIII.—Education.
- IX.—Health.
- X.—Justice.

It does not necessarily follow that there would be only one Minister for each of these branches. Some of them would undoubtedly require more than one.

56. In concluding this Part of our Report we may summarise briefly the main principles to which we have drawn attention as follows :—

- (a) Further provision is needed in the sphere of civil government for the continuous acquisition of knowledge and the prosecution of research, in order to furnish a proper basis for policy.
- (b) The distribution of business between administrative Departments should be governed by the nature of the service which is assigned to each Department. But close regard should be paid to the necessity for co-operation between Departments in dealing with business of common interest.
- (c) In the organisation of individual Departments special importance should be attached to securing proper consideration of proposals for expenditure, unimpaired Ministerial responsibility, co-operation with advisory bodies in matters which bring Departments into contact with the public, and the extended employment of qualified women.
- (d) A more efficient public service may expose the State to the evils of bureaucracy unless the reality of Parliamentary control is so enforced as to keep pace with any improvement in departmental methods.

In making these suggestions we are aware that an efficient departmental system working in satisfactory relations with Parliament cannot be established or maintained on lines laid down in advance by any Committee of enquiry. Whatever validity may attach in the abstract to the principles which we have ventured to suggest, their practical efficacy will depend upon the zeal and discretion with which they are applied from day to day by Parliament, by Ministers, and by the officers of Departments, the living forces whose spirit is essential to any form of government that is more than a machine.

REPORT : PART II

We shall now proceed to examine the business of the principal Departments operating in the main divisions of Government which have been enumerated in paragraph 55 of Part I. of our Report, and to indicate how the principle which we have suggested for the distribution of this business should be applied.

CHAPTER I.

FINANCE.

1. The Department of Finance must necessarily have an exceptional position among all the State Departments. The service which it has to perform—that of supervising and controlling all the operations of government in so far as they affect the financial position—involves not only the direct administration of taxation and other branches of revenue, but also the control of all forms of expenditure, including the incurring of obligations or liability to expenditure. The administration of the National Debt, and the supervision of the banking and currency systems, form parts of the same service. Under existing conditions this service is performed by the Board of Treasury, a body appointed by Patent, and including among its members the Chancellor of the Exchequer (who is its principal administrative officer) and (usually) the Prime Minister.

The Board also includes three or more junior Lords, whose duties lie rather in the House of Commons than in the Treasury.

It may be noted that the Financial Secretary to the Treasury, who acts as the principal assistant of the Chancellor of the Exchequer, is not a member of the Board.

2: The Board acts under powers delegated to it either by the Crown or by Parliament; and its principal functions fall under the following heads :—

- (a) Subject to Parliament it is responsible for the imposition and regulation of taxation and the collection of the revenue, for which purpose it has the assistance of the Revenue Departments.
- (b) It controls public expenditure in various degrees and various ways, chiefly through the preparation or supervision of the estimates for Parliament.
- (c) It arranges for the provision of the funds required from day to day to meet the necessities of the public service, for which purpose it is entrusted with extensive borrowing powers.
- (d) It initiates and carries out measures affecting the public debt, currency, and banking.
- (e) It prescribes the manner in which the public accounts should be kept.

3. Arising out of these functions, or ancillary to them, are others of less general importance, such as the award of Civil Pensions, the audit of the Civil List of the Sovereign, the financial control of the County Courts, the valuation of Government property for purposes of Local Taxation, and the general regulation of the personnel of the Civil Service in matters requiring uniformity of treatment, as, for example, the recruitment of the staff, their salaries, increments, hours of work, holidays, sick leave, subsistence and travelling allowances.

Some of these functions arise directly from the control exercised by the Treasury over expenditure; others from its preponderant authority as the

Department of the Prime Minister, or from the comprehensive relations which it necessarily maintains with all the other Departments of State.

4. From the above description it will be seen that the Treasury is a Department of control and supervision rather than administration ; its duties in the latter sphere, though of the highest importance, bear a small proportion to the volume of the whole.

5. As regards the functions referred to under the heads (a), (c), (d), and (e), we need say nothing further. They must obviously form part of the duties of the Department of Finance, by whatever name it may be called, and on whatever principle the functions of Government may be distributed.

6. Questions of greater complexity and difficulty arise when we approach the consideration of the powers exercised by the Treasury in controlling expenditure, and in the performance of the subsidiary functions referred to in paragraph 3.

7. The control of expenditure is exercised primarily through the preparation of the annual estimates, which are subject to the approval of the Treasury in detail, and when once sanctioned by the House of Commons cannot be varied, at least in the direction of increase, except with Treasury consent.

This control is further secured by the scrutiny of the Comptroller and Auditor-General, a Parliamentary Officer independent of the Executive Government, whose duty it is to examine all expenditure incurred, and to report to the House of Commons cases in which he considers that the provision made in the estimates has been irregularly varied or exceeded without proper authority.

8. The financial system of the United Kingdom differs from that of most other countries in assigning to the Chancellor of the Exchequer, or Finance Minister, a more direct responsibility for the control of expenditure, in addition to his duties in connection with the raising of revenue.

9. Throughout a long period of years the conviction appears to have grown that it is essential to a sound system of finance that the Minister responsible for raising the revenue should also have a predominant voice in deciding on the amount, and—in some degree—on the character of the expenditure. It has been held that it is only in this way that he can secure the necessary check on the demands that are made upon him, and a proper appreciation of the liabilities to which he is being committed by the policy of his colleagues. If he is to be held responsible for filling the reservoir and maintaining a certain depth of water in it, he must also be in a position to regulate the outflow.

10. Much argument has been devoted to a criticism of these dual functions, and it has not infrequently been contended—especially by persons interested in projects which involve increased demands upon the public purse—that the Chancellor of the Exchequer should confine himself to raising the money required by his colleagues, and leave them to deal at their discretion with the other side of the account ; or that, at most, he should restrict his power of control to matters involving expenditure on a large scale, or to items exceeding some fixed limit.

11. On this question it may be sufficient to point out that single items, in themselves insignificant, may in the aggregate make up large totals, and that even a small expenditure on a particular service may directly or indirectly involve larger demands elsewhere, which can only be appreciated on a broad view of all the relative conditions.

12. On the whole, experience seems to show that the interests of the taxpayer cannot be left to the spending Departments ; that those interests require

the careful consideration of each item of public expenditure in its relation to other items and to the available resources of the State, as well as the vigilant supervision of some authority not directly concerned in the expenditure itself ; and that such supervision can be most naturally and effectively exercised by the Department which is responsible for raising the revenue required.

13. But it is obvious that the success of a system of control which is, in theory at least, so comprehensive, so rigid, and so minute, must depend on the manner in which it is applied.

When once a particular policy has been adopted by the Government or by Parliament it is clearly the duty of the Chancellor of the Exchequer to provide the funds necessary for its execution. He may properly require to be satisfied that the expenditure proposed is not more than sufficient for the purpose in view, and that adequate arrangements are made to secure the fullest return for the outlay involved ; but his control is in the main financial, and should not be allowed to encroach on the responsibilities of his colleagues. It must also be exercised in a sympathetic spirit and with an adequate knowledge of the circumstances and difficulties of the other Departments.

14. It is obvious that the two sides of financial control—the restriction of expenditure to no greater sum than is required for the purpose in view, and the ensuring that the fullest return is obtained for the money expended—will present different aspects to the spending Departments and the Department of Finance. With regard to proposals for expenditure, the initiative will come from the spending Departments, and the attitude of the Department of Finance must necessarily be one of enquiry and criticism. With regard to the arrangements for ensuring that the fullest return is obtained for the outlay involved, the responsibility should, we suggest, be shared between the spending Department and that of Finance. In neither case is it in practice possible for the Chancellor of the Exchequer, with any useful result, to force measures on an unwilling Department. The superiority of the spending Departments in knowing what is required for the execution of their several services, in accordance with the policy with regard to them which has been determined by Parliament or the Government, must necessarily limit the scope of any useful exercise of the restrictive authority of the Chancellor of the Exchequer. On the other hand, the wider experience and expert knowledge which his Department should possess, not of all the detail of each particular service, but of all its financial incidents and implications, and of the methods by which administrative efficiency can be ensured and increased, will enable the Department of Finance usefully to criticise the methods of other Departments, to make suggestions for amending their proposals, not less in the direction of getting a greater return for outlay than in that of reducing the outlay itself ; and to initiate improvements of this nature, even when no new proposals are being made. It is none the less true that the execution of any scheme will necessarily depend on the goodwill and co-operation of the spending Departments concerned.

15. We think that the traditional attitude of antagonism between the Treasury and other Departments which so often manifests itself might be substantially modified if the officers of the Treasury could establish closer personal relations with the several Departments with which they deal, and acquire a fuller knowledge of their work and their difficulties. It is clearly desirable to dissipate the tradition that all Departments have a natural disposition to extravagance, and that the Treasury is irreconcilably opposed to all increases of expenditure.

The information at our disposal suggests that if a new situation in this respect is to be brought about, the obligation upon spending Departments to formulate a full and reasoned statement of their proposals must be recognised as placing upon the Treasury a corresponding obligation not to assume a negative attitude in the first instance towards suggestions for improving the quality of a service or the efficiency of the staff which administers it. Any such practice is ineffectual either in reducing the outlay of public money or in securing a better return for expenditure, since it offers an inducement to Departments to include in their original estimates of cost a margin intended to be held in reserve for the process of bargaining which may ensue. It is obvious, too, that in this process the merits of the proposals are likely to be obscured by the desire of the spending Department to justify its estimates, and of the Department of Finance to insist upon its authority by withholding sanction from any but a less expensive scheme.

16. We would also urge, as another means to the same end, that more frequent enquiries should be undertaken by the Treasury into the general administration of Departments.

17. In addition to this closer personal relationship and fuller knowledge of the circumstances of other Departments, we think that the Treasury would benefit by the establishment of an Advisory Committee which they could consult, either on general questions affecting the public service at large, or on specific proposals from Departments.

Such a Committee should be permanently constituted, should not exceed six or seven in number, and should be composed partly of permanent Heads of Departments, and partly of persons with outside experience of business methods and problems.

The Minority Report of the last Royal Commission on the Civil Service (page 142)* suggested that advantage might be derived from the appointment of such a Committee if it became known "that decisions as regards organisation of staff, schemes of examination, the relations between the different orders of officers, and so on, were the outcome of deliberations, not by the Treasury alone, but by a body representative of considerations other than those of the purse."

18. We have already alluded in Part I. of our Report (paragraph 29) to the importance of making proper arrangements within each Department for the scrutiny of proposals involving expenditure. We are aware that in many Departments a strong Finance Branch exists for this purpose, but in other Departments, including some of the most important from this point of view, the organisation appears to be defective in this particular. We think that in every Department an officer of suitable status should be appointed, whose duty it should be to examine and criticise from the financial point of view all Departmental proposals involving public expenditure, and that his report should be duly considered before the proposals are submitted to the Minister for approval.

19. There is another subject of control to which we think more attention should be given both in the Treasury and the other Departments.

In every Department there is a considerable amount of business of a routine character to be transacted. By routine business we mean, in general terms, work performed by officers of ranks below the first division. The proportion of this work to the whole work of a Department has probably increased of late years, and is likely to increase still further in the future.

The manipulation of this work involves considerations both of personnel and matériel. Attention has to be paid to the selection of the staff, their classification, their assignment to appropriate duties, their hours of work, promotion, increments, leave and sick leave. In addition to the above, there are various mechanical arrangements to be considered, such as the registering and custody of papers, the use of forms and statistical returns, copying, stationery, printing, office furniture and equipment, and labour-saving appliances.

We think that in all such matters progressive efficiency can only be secured by constant expert attention, and that more systematic arrangements than at present exist should be made for this purpose.

20. We accordingly offer the following specific suggestions :—

- (a) In all Departments where the staff is sufficiently numerous, there should be an officer charged with the special duty of studying all such questions so far as they apply to his Department ; and of controlling the staff engaged on routine duties.
- (b) In all Departments where the amount of business is sufficient, an attempt should be made to keep continuous records of the amount of work done, the time occupied in doing it, and the cost incurred. Such statistics would not, of course, be useful for any purpose of comparison between one Department and another, as the circumstances differ so widely, but would serve as a record from year to year of the transactions of the Department itself, to be referred to as occasion required.
- (c) In the Treasury there should be a separate branch specialising in this "establishment" work, and studying all questions of staff, recruitment, classification, etc., and routine business generally. Such a branch would be in close touch and constant communication with the officers in other Departments charged with the duty of supervising the "establishment" work. It would also keep itself acquainted with what was being done in business circles outside, and perhaps in foreign countries. Probably special arrangements would be required for recruiting the staff of this branch so as to provide the necessary expert knowledge.

21. We think that in any redistribution of the work of Departments it would be desirable that such relations as the central Government maintains with the Finance of the Local Authorities throughout the country should be in the hands of the Treasury rather than (as at present) of the Local Government Board. Similarly, we suggest that the audit of the accounts of Local Authorities should be undertaken by the Exchequer and Audit Department.

22. Turning now to the subsidiary functions of the Treasury mentioned in paragraph 3 above, there are several which have no special connection with Finance, but we think that, as a matter of convenience, it will be desirable to make no change as regards the Department with which the general control of the personnel of the Civil Service is to rest. Much of this work depends directly on the control of expenditure generally, and for the remainder no other Department suggests itself as more suitable.

23. There are, however, some Departments, nominally subordinate to the Treasury, whose work would, if our suggestions were adopted, fall in the main within other divisions of the business of Government than that of Finance.

These Departments are the Office of Works and Public Buildings, the Stationery Office, the County Court Department, the Office of the Parliamentary Counsel, and the Registry of Friendly Societies.

CHAPTERS II. AND III.

NATIONAL DEFENCE AND EXTERNAL AFFAIRS.

1. We do not propose to make any observations of a detailed character on the Admiralty, the War Office, or the Air Ministry. It is impossible to examine the conditions of these services as they are at present. They are on an active war footing, and their dimensions and objectives in the future may be profoundly affected by the character of the peace made.

2. But whatever these dimensions and objectives may be, the principle of the General Staff system as it is now familiar in the Army will probably require to be carefully kept in force, with its consequences in the separation of strategy and tactics from the administrative control of personnel and matériel.

3. It is possible that the line of demarcation between the two kinds of work may be found not to have been closely maintained in the Admiralty or the War Office during the war, so that those charged with the duties of the General Staff have been unable to abstain from interference with administration with the closeness that is in general required for the carrying out of a great principle. The principle of a General Staff appears to apply to the affairs of the Navy and the Air Force not less than it does to those of the Army, and we are of opinion that it ought never to be left out of sight.

4. We have assumed that the three great Departments of defence services to which we have referred will in the future, as in the past, remain independent Ministries. If so, and there are reasons why it should be so, we think that the general supervision, which is normally effected by the Committee of Imperial Defence under the Prime Minister, should be maintained, and that its functions should be restored to this Committee in peace time.

5. As to the Foreign Office, the Colonial Office, and the India Office, it is obvious that these Departments will require reconsideration of their existing organisations in the immediate future. We do not, however, consider that we have been asked to enter upon the questions that will thus arise, questions which must be dealt with by those who have special knowledge and experience. The only observation which we feel called upon to make is that the general principles suggested in Part I. of this Report are not without application in the solution of the problems which are about to arise in connection with these Departments of the State.

CHAPTER IV.

RESEARCH AND INFORMATION.

1. We have given in Part I. of this Report* the reasons for which we recommend that increased importance should be attached to the organisation of enquiry and research, and that the activities of the central Government in this direction should be extended.

2. We think that it may be useful in support of these views to give examples of the arrangements already made

(a) for conducting special enquiries through branches of administrative Departments, generally called Intelligence Branches ;

* Paragraphs 12—17, pp. 6—7.

- (b) for conducting enquiry and research under the supervision of administrative Departments ;
- (c) for conducting special enquiries and research for the general use of administrative Departments, but under the supervision of authorities not charged with administrative duties.

(a) *Intelligence Work in Administrative Departments.*

3. We have alluded in Part I. of this Report to the spheres of military and naval affairs as those in which this conception is perhaps the most fully accepted and capable of application to the fullest extent.

4. *Department of Overseas Trade.*—In other instances the events of the war have led to the establishment of separate organisations for the performance of Intelligence work. The Department of Overseas Trade seems to be primarily an instrument for the dissemination of information, created by the fusion and development of the work hitherto performed by the Commercial Intelligence Department of the Board of Trade and by the Foreign Office. It is intended that there should flow into this Department after the war the information gathered by the War Trade Intelligence Department, which is now under the charge of the Minister of Blockade.*

5. *Board of Trade.*—In the reorganisation and expansion of the Board of Trade† specific provision has been made for the establishment of what is in essence an Intelligence Department, to be known as the General Economic Department. The duty of this Department is to be to anticipate, to observe, and to suggest means of dealing with, important questions and movements in commerce and industry, which from their generality or novelty do not fall within the scope of any of the other Departments of the Board provided for under the scheme of reorganisation.

6. *Ministry of Labour.*—We understand that the Ministry of Labour have also established an Intelligence section for the purpose of conducting general enquiries into the industrial questions which are within the province of the Department.

7. Two Departments, the Board of Education and the Local Government Board, had made separate provision at an earlier date for the Intelligence work which they required, the Board of Education so long ago as 1895, when their Office of Special Inquiries and Reports was established, the Local Government Board during Mr. Herbert Samuel's Presidency in 1914.

8. It may be useful at this point to summarise the work achieved or in contemplation by each of these Departments. We shall then endeavour to suggest the principles on which the question of the separate organisation of Intelligence work within a Department may be determined in any instance in which it has not already received consideration.

9. *Board of Education.*—The duties of the Director of the Office of Special Inquiries and Reports in the Board of Education were described on the establishment of the Office as being "to collect and record much information on educational matters at home and abroad of which the Department is constantly in need." It was also stated that reports based upon enquiries conducted by the Office would be published from time to time under the direction of the Board.

10. The Office was thus created as the Intelligence Department of the Board of Education, and its value was found to be so considerable that it

* See Cd. 8715.

† See Cd. 8912.

soon became charged with a variety of important duties. The Education Department, in seeking the sanction of the Treasury to the establishment of the new Office, had stated that "it has become clear that the efficiency of this office is seriously impaired by the absence of proper provision for obtaining necessary educational information, and recording it, when obtained, in such systematic manner as to render it available for future reference. Under present conditions, many important questions of detail have necessarily to be decided without sufficient knowledge of their general bearing, and upon information hastily obtained for the particular purpose, and this information is often lost as soon as the special question for which it was obtained has been decided. This entails frequent waste of power."

11. In the course of a few years the Office had carried out many extensive inquiries into various educational problems, some of which were pressing for solution in this or other countries, but had already been solved in another part of the world. The Office also arranged for the preparation and publication of a series of special Reports on educational subjects, which described various forms of educational effort and organisation in the United Kingdom, the Colonies, the United States of America, and the principal European countries. These Reports have become standard works of reference among authorities and persons interested in education both in this country and abroad.

12. The Office undertook the collection of educational information for official use both in the United Kingdom and in other countries. Another important part of its work was the reception of visitors from other countries, who were furnished with official guidance for the purpose of enabling them to conduct educational enquiries. Advice was also furnished to English students of education, teachers, and others, who were going abroad to study educational methods and institutions. The Office assumed the charge of the Library of the Board of Education, which has been greatly expanded under its care, by the collection, not only of books, but of such materials as newspaper reports of important educational conferences or discussions, and the published minutes and Reports of Local Education Authorities, and of official publications obtained by exchange between the Board and Colonial and Foreign educational authorities. The Office has also undertaken the duty of answering questions on educational matters received from Foreign Governments, and has dealt with general enquiries on educational subjects which could not conveniently be disposed of by any of the other branches of the Board.

13. There can be no doubt that the whole work of the Board, including the activities of its Inspectors, and the progress of education throughout the country, have been very greatly assisted by the fact that there have thus, through the Board's Office of Special Inquiries and Reports, been constantly placed before the administrative staff, the Local Education Authorities, and the public, the results of the survey maintained by the Office over the whole range of the service of Education with which the Board is entrusted; and that the Office has been instrumental in diagnosing fresh educational needs in advance, and in exploring all possible means of assisting, as part of the Board, in devising and applying new methods of meeting such needs.

14. *Local Government Board.*—A very similar aim was said by Mr. Herbert Samuel to have moved him to form an Intelligence Branch within the Local Government Board :*

"I have been struck by the fact that there has been hitherto no adequate

* House of Commons, Official Report, 18th June, 1914, col. 1344.

means of collecting and diffusing information upon the many subjects with which the Board is concerned. This new Department which I propose to create will issue reports upon matters of present interest, such as housing, land, infant welfare, tuberculosis, and health questions generally. It will keep in touch with similar work done in other countries, about which at the present time we have no systematic means of obtaining information.

"It will keep in touch with the work done in our Dominions and Colonies, and not least of all with the work of the Local Government Boards in Scotland and Ireland, which at the present time work in watertight Departments. That Intelligence Department will also make it its business to keep in touch with voluntary institutions who are in a position to supply it with information."

15. The information before us and our own discussions of the subject indicate that a considerable development of Intelligence work as a clearly differentiated part of the organisation of administrative Departments is required wherever the work of the Department as a whole extends beyond very modest limits, and that whenever the Intelligence work of a Department is placed upon a distinctive footing the following functions should *primâ facie* be considered suitable for assignment to the staff engaged upon these duties :—

- (i) The conduct of special enquiries into, and the preparation of reports upon, matters affecting the business of the Department.
- (ii) The care and maintenance of a Departmental library.
- (iii) The continuous study of the methods of administration prevailing in regard to the same subject-matter in other parts of the United Kingdom (where a separate system of administration prevails), in the Empire, and in foreign countries.
- (iv) The scrutiny and circulation in the Department of statements of general interest bearing upon the Department's work, whether from particular branches of the Department, from other Departments, from the Press, or from other sources.

(b) *Research Work Supervised by Administrative Departments.*

16. The services to which we refer under this head do not necessarily consist entirely in the pursuit of new truth ; but since this element enters into each of them in some degree, they may conveniently be considered herewith.

17. They fall into two main divisions, distinguished by the degree of control which the Department exercises over the performance of the work. Some are integral parts of a departmental organisation in the same sense as the Intelligence services which we have already considered ; others, though maintained or assisted by Exchequer grants, and therefore subject to the conditions requisite to satisfy Parliament of the propriety of the expenditure incurred, are in practice administered with a full measure of discretion, and operate without close or habitual reference to the administrative requirements of any Department.

18. Some examples of the varied types of work which we have in mind may be given under the following heads :—

Surveys.—The Ordnance Survey Department is under the Board of Agriculture and Fisheries. The Ordnance Survey of the United Kingdom is carried on under the supervision of a Director General, who is responsible also for the printing establishment at Southampton, where, in addition to the publications of the Ordnance Survey, maps are produced for the War Office, the Geological Survey, and other public offices.

The Geological Survey of Great Britain, with the Museum of Practical Geology, is included among the services administered by the Board of Education.

Actuarial Work.—The largest actuarial department is that of the Chief Actuary to the National Health Insurance Joint Committee. During the war the Government have required actuarial advice upon an increasing range of important questions, such as war pensions and shipping, and have resorted to the Chief Actuary and his trained staff for this advice to an extent which has brought about an important change in his position. The service is ceasing to be departmental in the sense of being available to a single Department alone, and is now recognised as a service provided to meet the general needs of all the Departments of Government. We shall have occasion to refer further to this development under the heading (c) below (paragraphs 31–32).

19. *Statistical Work.*—Statistical material is no doubt collected in almost every Department by a more or less distinctive and developed organisation. But if we confine our attention to the most obvious examples in a few important spheres, the number of separate authorities concerned is remarkable. There are contributions to the financial statistics of the country from the Treasury and the Boards of Inland Revenue and of Customs and Excise; to commercial statistics from the Boards of Trade and of Agriculture and Fisheries, the Colonial Office, Foreign Office and India Office; to industrial statistics from the Home Office, Board of Trade, and Ministry of Labour; and to vital statistics (which within the last generation have been collected and studied with growing assiduity) from the Registrar-General, the Admiralty, War Office, Ministry of National Service, Home Office, Local Government Board, Board of Education, Board of Control, and the Health Insurance Departments.

20. A more complete enumeration of the administrative Departments within which statistical work is performed would only serve to emphasise the number of authorities concerned and the absence of systematic arrangements for maintaining inter-communication between those who are likely to be engaged upon the consideration of identical or similar material for the purpose of drawing deductions, as well as for the purpose of meeting current administrative requirements.

21. *Industrial Research.*—Under this heading are comprised services concerned with the application of science to industry, such as the researches directed by the Admiralty and War Office for purposes of national defence, by the General Post Office in relation to wireless telegraphy, and by the Home Office, Board of Trade, and Ministry of Munitions, into various problems arising within the sphere of their administration.

22. *Economic Development.*—The researches into questions arising in relation to agriculture, fisheries, the diseases of animals, forestry, and botany, conducted under the general supervision of the Boards of Agriculture and Fisheries, with the assistance of grants recommended by the Development Commission, fall under this head as being directed to the objects which the Government had in mind in establishing the Development Fund in 1909.

23. *Medical Research.*—The researches into medical questions directed by the Admiralty, War Office, Ministry of Munitions, Local Government Board, and Board of Control, fall into this group.

24. *Grant-aided Authorities.*—When we turn to the authorities which stand outside the organisation of a particular administrative Department, but are related to a particular Department by the fact that their financial needs are met

wholly or in part from the departmental Vote, we find a wide range of variation in the measure of control which the provision of these grants imports.

25. Some of the Museums (which may, of course, be considered either as centres for diffusing information or as centres providing facilities for research), stand, for example, in close relation to the Board of Education; while the British Museum and the Natural History Museum, the National Gallery, the National Portrait Gallery, and the Wallace Collection, are controlled by specially appointed bodies of Trustees; and the antiquities of the Tower of London are in the custody of various officers with a peculiar jurisdiction.

26. The Government grants in aid of research into tropical diseases and tropical entomology, and to the Imperial Institute, are borne upon the Vote for the Colonial Office, and the Secretary of State thereby retains a measure of control.

27. The Board of Trade, Board of Agriculture and Fisheries, and Local Government Board, among others, include in their Vote grants to various national or international bodies concerned with matters of interest to these Departments.

28. In the cases in which the interest of a particular Department in the work of the grant-aided authority is less direct, or in which it is desired to emphasise the fulness of discretion accorded to the authority in applying the grant, the expenditure is as a rule borne upon Votes accounted for by the Treasury. The grants to such institutions as the Royal Society, the Solar Physics Observatory, the Meteorological Office, the School of Oriental Studies, the British School at Rome, and the British School at Athens, are examples of this form of provision.

(c) *Intelligence and Research Work for General Use.*

29. *The Existing Services.*—The development of Intelligence and Research services external to the organisation of a particular administrative Department, and available to meet the requirements of all Departments alike, has taken place in almost every instance in response to the pressure of a practical need and not in pursuance of a reasoned policy. It was obviously convenient that the Public Record Office should keep and render available to the public the documents released by individual Departments as worthy of preservation and no longer required for current administrative purposes; or that “the Somerset House chemists” should develop into the Government Chemist’s Department, and hold their expert knowledge at the disposal of any administrative Department which required services of the kind which they could render.

30. But there are three of these services which are of special interest from the point of view of our enquiry, namely, those performed by the Government Actuary, the Medical Research Committee, and the Department of Scientific and Industrial Research respectively.

31. *Government Actuary.*—The arrangements under which the public service as a whole is now enabled, as occasion may require, to obtain the advice of the Government Actuary, indicate a recognition of the fact that scientific work of this character may best be performed at a common centre and by a single staff, which thereby gains a variety of experience, and concentrates in itself an amount of knowledge, beyond the grasp of actuaries exclusively employed in a single Department, or (as was until recently the

common practice) called in to advise upon isolated problems by individual Departments at different times.

32. The Government Actuary is to stand in the same relation to the Treasury as the Parliamentary Counsel, that is to say, requests for his services will be addressed in the first instance to the Treasury; and certain transitional arrangements have been made in order to obviate the disturbance of the work of the particular Department to which he was previously attached.

33. *The Medical Research Committee.*—This Committee is constituted under the Medical Research Fund Regulations made by the National Health Insurance Joint Committee under Section 16 (2) of the National Insurance Act, 1911. The first members of the Committee, which consists of nine persons, were appointed for three years from August, 1913, and the Regulations provide that after this initial period three members of the Committee are to retire every two years.

34. An Advisory Council for Research, consisting of forty-two persons appointed for three years from August, 1913, and eligible for re-appointment, was also constituted by the Regulations.

35. The funds at the disposal of the Committee are known as the Medical Research Fund, and consist of an annual sum of between £50,000 and £60,000, which represents one penny in respect of each insured person in the United Kingdom, payable out of moneys provided by Parliament, which has been retained for the purposes of research in accordance with the proviso to Section 16 (2) (b) of the Act.

36. The appointment of the members of the Committee and of the Advisory Council is vested in the Chairman of the National Health Insurance Joint Committee, who is the Minister responsible to Parliament for the expenditure of the funds made available to the Committee.

37. The duty of the Committee under the Regulations is to frame schemes for research, and to submit them for the approval of the Minister, which must be obtained before any money can be expended on a scheme. The Minister, before approving the scheme, is required to consult the Advisory Council. When the Minister's approval has been given, the scheme comes into operation, and money can be expended under it.

38. The Medical Research Committee at present consists of a member of the House of Lords, two members of the House of Commons, and six men of science appointed by the Minister on account of their personal qualifications for the work of the Committee. The scientific members are men of eminence in the most important departments of medical science with which the Committee is concerned, namely, pathology, bacteriology, medicine, surgery, bio-chemistry, and public health. The principle of according representation to particular learned societies or scientific bodies has never been applied to the Medical Research Committee, but the representation of such bodies is provided for in the constitution of the Advisory Council.

39. As regards the scope of the Committee's work, we understand that legal advice was taken at the outset on the construction of Section 16 of the Act of 1911, and that an opinion was obtained to the effect that the application of the Medical Research Fund is not limited to research into any particular disease, but that the money may be expended upon any purpose which is covered by the words *medical research*. In accordance with this opinion, the work of the Committee has never been confined to the investigation of questions suggested by the current administration of the National Health Insurance Acts, but the widest view has been taken of the objects of the Fund, from

which expenditure has in fact been made at one time or another in nearly all the varied branches of medical practice and theory.

40. It is important, also, to observe that, although the Minister in charge of an administrative Department is answerable to Parliament for the work of the Committee, we have of set purpose, and for two clear reasons, classified the Committee as a service of a general character, and not as a body engaged upon research for the immediate purposes of a single administrative Department.

41. The first reason is that, although the operations of the Medical Research Committee are within the province of the Minister responsible for Health Insurance, so that he would defend the proceedings of the Committee if they were criticised in Parliament, in practice, as we understand, the Minister relies, under the arrangements described in paragraph 37, upon the Medical Research Committee to select the objects upon which they will spend their income, and to frame schemes for the efficient and economical performance of their work. The Minister has, of course, always received a full explanation of their schemes from the Committee before giving his approval, but he has never sought to control their work, or to suggest to them that they should follow one line of enquiry rather than another.

42. There is, therefore, an important distinction to be drawn between this research work and all other work within the sphere of the Department; and the judgment of the scientists who form the majority of the members of the Medical Research Committee as to the value of this understanding is clear. In their first Annual Report (1914-15, Cd. 8101, page 48) the Committee say that they "venture to acknowledge their indebtedness to the three successive Chairmen of the National Health Insurance Joint Committee under whom they have worked, for having allowed them the most complete freedom, within their constitution, to bring flexible and rapid assistance to the national need on occasions of emergency with the least possible delay in the motion of constitutional machinery."

43. The second reason is that the Committee had not long been established before the outbreak of war in 1914; and that, as their four Annual Reports* clearly indicate, they have, in consequence, from the first devoted almost the whole of their energies to the investigation of problems arising out of war conditions, and referred to them by administrative Departments, including the Admiralty, War Office, Air Ministry, Home Office, and Ministry of Munitions, for the purpose of concentrating the whole of the scientific forces available in the country upon the search for a solution.

44. Where the Committee institutes an enquiry in co-operation with the representatives of administrative Departments, it is their practice to appoint a Special Investigation Committee to undertake the detailed direction of the performance of the work on the lines agreed upon between the Department and the Committee. These Special Investigation Committees include one or more members of the Medical Research Committee or of their scientific staff.

45. *The Department of Scientific and Industrial Research* the principal body by means of which the Government seeks to promote and organise scientific research with a view to its application to trade and industry, is a Department working under the direction of the Lord President of the Council, who presides over a Committee of the Privy Council for Scientific and Industrial Research. This Committee (which we may for convenience describe as the Ministerial Committee) was established in the summer of 1915 by Order in

* Cd. 8101, 8399, 8625, 8981.

Council, and the establishment of the Department followed in the autumn of 1916. The Committee have made Reports upon their work for 1915-16, 1916-17, and 1917-18*, which contain a full description of the results achieved under their direction, and provide abundant evidence of the importance to our enquiry of the principles upon which the organisation of the Department is based.

46. The responsibility for the expenditure of the funds at the disposal of the Department rests with the Lord President, to whom all proposals for expenditure are referred for sanction. The scientific and technical soundness of all research proposals recommended for State assistance is guaranteed by constant resort to the guidance of an Advisory Council, consisting of a small number of eminent men of science, with an Administrative Chairman. This Advisory Council was constituted by the Order establishing the Ministerial Committee, and there stand referred to the Council, under the Order, for their report and recommendation, proposals :—

- (i) for instituting specific researches ;
- (ii) for establishing or developing special institutions or departments of existing institutions for the scientific study of problems affecting particular industries and trades ; and
- (iii) for the establishment and award of Research studentships and Fellowships.

The Council may itself initiate such proposals and may advise the Ministerial Committee on such matters, whether general or particular, relating to the advancement of trade and industry by means of scientific research, as the Ministerial Committee from time to time determine. The Council exercises its powers of initiative, and carries out, without further reference to the Lord President, schemes for which an estimate has been submitted to, and approved by, the Ministerial Committee.

47. In addition to the Ministerial Committee and the Advisory Council, there are within the sphere of the Department certain bodies of a distinct character constituted in order to deal with research questions of national importance.

48. An example of a body of this kind is the Fuel Research Board, which came into existence in the following manner.

49. In the early stages of the work of the Department a number of requests were received, mainly from teachers and professional bodies, for the institution of inquiries into the fuel resources of the country. The Advisory Council referred these requests to the Coal Conservation Sub-Committee of the Reconstruction Committee, and the Sub-Committee recommended that a systematic survey of the coal measures of the country should be undertaken without delay. The Fuel Research Board was then established, on lines agreed upon at a conference between representatives of the Department and of the Coal Conservation Sub-Committee. The Board is an executive body, and its first action was to prepare, at the request of the Advisory Council, a scheme of work and an estimate of the expenditure involved. The technical proposals included in the scheme were referred to the Advisory Council, and the whole scheme, accompanied by the recommendations of the Advisory Council on its technical aspects, was submitted to the Ministerial Committee. On the approval of the scheme by the Ministerial Committee, its execution was entrusted

to the Fuel Research Board. The Chairman of the Board has direct access to the Lord President on questions arising under the scheme, and the Advisory Council exercises no further functions in relation to the scheme, unless some modification or development of the scheme is called for.

50. A further body of this type which has recently been constituted is the Food Investigation Board.

51. The financial provision made for the work of the Department falls into two distinct parts, namely :—

(1) The grant of £1,000,000 which is to be expended over an agreed period in accordance with the directions of the Ministerial Committee ; and

(2) The funds provided in the annual Vote for the Department.

52. The grant of £1,000,000 is intended for use in applying a special stimulus to industry. In order to enable the grant to be held on behalf of the Ministerial Committee, the Imperial Trust for the Encouragement of Scientific and Industrial Research was established in November, 1916. The balance of the grant remaining at the conclusion of each year over which it is spread is not surrendered. The grant is in the nature of a grant-in-aid, but is subject to audit by the Comptroller and Auditor-General. Apart from the necessity of giving manufacturers a financial inducement to take an interest in Research, it has been found essential to have money available for a period longer than a single year, because the industries which were approached by the Department expected to be able to frame schemes which would cover a considerable period, and wished to have guaranteed to them throughout the period whatever financial assistance the Government might be willing to provide. It would have been impossible to gain the confidence of the industries if there had been the risk, however remote, that Parliament might not renew an annual grant, and if they had not, therefore, been able to enter upon commitments for a sufficient period to give a reasonable prospect of securing results from a scheme of research, or to foresee the whole of the expenditure which was going to fall upon them under any scheme formulated in the initial period.

53. The grant-in-aid can only be applied in making grants over an agreed period to approved trade associations for Research, in supplementation of the funds of the associations.

54. In order that other Government Departments concerned with, or interested in, scientific research might be kept in close touch with the work of the Advisory Council, they were invited at the outset to appoint Assessors to the Council. The persons thus nominated receive the agenda and minutes of the meetings of the Council, and are at liberty to attend any meeting at which subjects of interest to their Departments are under discussion. They are further, apart from these formal arrangements, in frequent communication with the officers of the Department of Scientific and Industrial Research.

55. In the remainder of this Chapter we proceed to consider the lines on which enquiry and research conducted for general use might in future be developed.

56. In choosing a generic term to describe Intelligence and Research work not supervised by an administrative Department, we have avoided the expression "Centralised Services," because we regard the relation between the departmental and the general work in these spheres as a problem in correlation rather than in demarcation. For such expressions as centralised services and demarcations of function have acquired a secondary meaning explicitly opposed to the

attitude of mind which we intend to suggest. Intelligence and Research work for general use succeeds only in so far as it helps all those whose interests it touches ; and correlation cannot imply the exclusion of those engaged in Intelligence or Research work, whether in a departmental or other capacity, from concern with the relevant activities of others who are pursuing the common task.

57. We are clearly of opinion that the expansion of Intelligence and Research work for general use would not conflict with our view that all Departments which have already made distinct provision for Intelligence work should continue to do so, and that many which have not might do so with great advantage ; that most Departments must continue to provide themselves with the organisation which they need for the collection and collation of statistical material acquired in the course of their administration ; and that many Departments must retain under their own control a distinctive organisation for the prosecution of specific forms of research.

58. Nor are administrative Departments themselves devoid of experience of the difficulties and benefits of adequate correlation between their own research work and that which is carried on under the general organisations which we have described. The work of the Food Investigation Board within the Department of Scientific and Industrial Research is being carried out side by side with certain enquiries into questions of urgent practical importance relating to the preservation of fish, which remain in the hands of the Board of Agriculture and Fisheries ; the problem of Industrial Fatigue, to which the industrial situation created by the war has directed increased attention, is being investigated in various aspects by co-operation between the Home Office, an administrative authority, and the two general authorities for the purposes of medical and of scientific and industrial research ; and the Mine Rescue Apparatus Committee of the Department of Scientific and Industrial Research was appointed as the result of a specific request from the Home Office, and in the course of its work is brought into close touch both with the Medical Research Committee and with the Ministry of Munitions. The entire working life of the Medical Research Committee has been spent in the closest relations with administrative Departments, such as the Army Medical Department of the War Office, with whom the Committee have been acting from the first. The Ministry of Munitions (in dealing with the mortality and illness due to T.N.T. poisoning), and the Home Office (in the course of the enquiries which have been mentioned above).

59. It would be easy for us to content ourselves, in the presence of these numerous examples of satisfactory collaboration between the two types of organisation, with passing from the subject, on the assumption that means will always be found in practice for overcoming any obstacles to full and effective inter-relation which may in the future arise. But the matter is too important to be thus dismissed. We think that, as the general organisations develop, administrative Departments will become increasingly concerned to know where the rightful boundaries of their own Intelligence and Research work are to be drawn ; and while we are far from assuming that we can lay down in advance a series of precepts applicable to every difficulty that may occur, we may, we think, conveniently suggest a series of criteria for determining how far a given piece of work is proper to be dealt with by means of a Departmental and a general organisation respectively.

60. In the first place, a Minister in charge of an administrative Department must have at his disposal, and under his control, an organisation sufficient to

provide him with a general survey of existing knowledge on any subject within his sphere, with tables of statistics and comments upon such tables which will keep him in touch with the progress of any work that can be expressed in this form, and with reports upon questions affecting the Department's work which require scientific knowledge in their preparation. What is needed in these cases is a competent, swift and self-contained enquiry for the purpose of enabling a particular Minister to deal with a specific administrative problem.

61. In the second place, it must lie with the administrative Departments and the general Research organisations to determine the probability that an investigation begun, perhaps, in order to furnish a reply to a question in the House of Commons at three days' notice, may develop into a protracted research, involving many kinds of scientific considerations, and may begin to call for the application of the united knowledge of the Department in which it originated, and of the general organisation. What may be needed in these cases is a complex, prolonged and many-sided enquiry, directed not merely to the solution of a particular problem which confronts the administrative Department, but to the attainment of results which may have a profound effect, it may be only in the distant future, both upon pure and upon applied knowledge.

62. In the third place, the concentration of a general Research organisation upon the advancement of knowledge makes it a primary duty of those engaged in it to keep in touch with scientific workers in various fields throughout the country, and to suggest to any administrative Departments which may be concerned the possibility of applying to their requirements the results of scientific enquiries. There should, therefore, be a regular flow of requests for the co-operation of the general organisations from the administrative Departments, and of suggestions for the utilisation of the products and by-products of enquiries from the general organisations to the administrative Departments.

63. In the fourth place, the function of the general Research organisation is discharged with the completion of an enquiry, and the communication to the administrative Departments concerned of the conclusions which have been reached. It is essential, not only to the maintenance of smooth working relations, but to the concentration of the general organisation upon its proper task, that the application of the scientific conclusions reported to an administrative Department should rest solely with that Department.

64. Lastly, it will be to the positive advantage of the administrative Departments to encourage the development of Intelligence and Research work for general use to the fullest extent which is practicable. Science ignores departmental as well as geographical boundaries. The harvest of results is won for the benefit of the administrative Departments as a whole, and increases with the expansion of the territory which is assigned to the general Research organisations. Success or failure in a particular field of enquiry will, indeed, often depend upon the presence or absence of a fertilising contact with another field. A generous conception of the scope to be assigned to Intelligence and Research work for general use will strengthen the hands of all the administrative Departments concerned with subjects which are departmentally distinct, but scientifically related, such as the production of dye-stuffs on the one hand and antiseptics on the other, the medical and the commercial aspects of such questions as industrial fatigue, and the manufacture and transport of oxygen, the diseases of animals and the mitigation of sickness among mankind, the methods of statistical enquiry and the presentation of statistical results.

65. We do not feel able to give more than these provisional indications

of the lines on which collaboration should be arranged between Departmental and general organisations for Intelligence and Research. But they are proving sufficient in practice, and will continue to do so if they are taken for guidance by fellow-workers who unite in their appreciation of the end in view. What applies in the field of scientific and industrial research to the attitude of the representatives of industry towards each other and towards the Government, applies no less to the Departments which are units in a single whole :—

“Co-operative research, when it has done its utmost, will always leave ample room for individual initiative and ability in the application of its results, more than sufficient as an incentive and as a means of outstanding success. Co-operation is not the negation of individual effort ; it raises initiative to a higher power.”*

66. As regards the methods to be adopted for conducting enquiry and research in any branch of knowledge so far as it is determined that the work should be carried out under the supervision of a general organisation, and not under that of an administrative Department, we think that a form of organisation on the lines already laid down for Scientific and Industrial Research will prove most suitable.

67. We may summarise the advantages of such a form of organisation as follows :—

- (a) It places responsibility to Parliament in the hands of a Minister who is in normal times free from any serious pressure of administrative duties, and is immune from any suspicion of being biased by administrative considerations against the application of the results of research.
- (b) It gives any authority established under it a jurisdiction which not only extends over the whole United Kingdom, but also facilitates the establishment of relations with research bodies in the Dominions and Colonies, and in India, which find it not unnatural to look upon any organisation under the Privy Council as a body affiliated to themselves.
- (c) It leaves open the question of the devolution of administrative services to which we have alluded in Part I of this Report.†

68. An expansion of this form of organisation could readily be brought about by the constitution of new Advisory Councils of persons with special knowledge and experience of the subject-matter standing referred to them. Each Advisory Council in its turn would maintain a close connection with the administrative Departments concerned with that subject-matter, by means of the appointment of Assessors, the use of Special Investigation Committees, and the less formal communications which would, no doubt, be found requisite to supplement these arrangements.

69. It would not be practicable for us to attempt to enumerate the various directions in which the development of work conducted on these lines might proceed. This will depend upon the financial resources available, the advance of knowledge, the opening up of new problems, and the progress made in correlating the research work of administrative Departments with such an organisation as we have described.

70. Clearly the organisation might develop so as to include research in medicine, the diseases of animals, fishes and plants, in agriculture, botany, and forestry, in problems connected with surveys (including questions of

* Cd. 8336, p. 14.

† Paragraphs 16–17, p. 7.

geodesy, geology, meteorology and oceanography); in the preparation and use of statistics, and possibly in matters of education and of historical and political science.

71. It will be seen from the Chapters of this Part of our Report dealing with Education and Health that we recommend the reconstitution of the Geological Survey* and the Medical Research Committee† on these lines. We have not found it practicable in other cases to enter upon such a detailed study of the readjustments which a similar procedure would involve in the position of the bodies by which research is now being conducted as to justify us in submitting specific recommendations in regard to them. But if the principles suggested in Part I and in this Chapter of our Report were accepted, their application to particular provinces of knowledge could be left with confidence to the authorities concerned with each subject-matter from time to time.

72. To envisage any such development is, however, to reveal the difficulties which may supervene in the position of the Lord President of the Council as the responsible Minister.

The advantages of placing the authority responsible for Scientific and Industrial Research under the Privy Council have already been alluded to. It was, no doubt, fortunate to have at hand, in the initial stages, a form of organisation through which these advantages could readily be secured. But at the moment when this Report is written, the Lord President is also a member of the War Cabinet and Leader of the House of Lords. It may, it is true, be possible to regard the circumstances which place the burdens of the first of these offices upon the Minister responsible for Scientific and Industrial Research as wholly exceptional. But it must always be not unlikely that the Lord President will be required to take the Leadership of the Upper House.

So long as there is attached to the Committee of Council concerned with Research over which he presides no more than a single Advisory Council, it will, no doubt, be possible, though not easy, for the Lord President to discharge his responsibility for Research with success.

73. If, however, as seems probable, it is found expedient in course of time to establish Advisory Councils for a substantial number of distinct branches of research, it may well prove impracticable for the Lord President to combine the supervision of a range of work so wide and of such high importance with other exacting duties. The time will then have come when the principles implied in the organisation of work of this kind under the Privy Council have won general acceptance, and the arguments for maintaining that form of organisation, in so far as it lays Ministerial responsibility upon the Lord President, will have diminished in force.

74. It may, therefore, not be premature to anticipate that the distinctive character of the organisation of Intelligence and Research for general use; the proper scope of such an organisation; and its potential relations with analogous organisations throughout the Empire, could thenceforth all be maintained by a Minister specifically appointed on the ground of his suitability to preside over a separate Department of Intelligence and Research, which would no longer act under a Committee of the Privy Council, and would take its place among the most important Departments of Government.

* Chapter VIII, paragraph 15, p. 55.

† Chapter IX, paragraphs 13-15, p. 60.

CHAPTER V.

PRODUCTION (INCLUDING AGRICULTURE, FORESTRY, AND FISHERIES),
TRANSPORT, AND COMMERCE.

1. In submitting this Chapter of our Report we think it well to invite attention to the precise limits of the duty entrusted to us by our terms of reference in relation to this branch of our enquiry.

2. We are not invited or entitled to discuss whether the control of the State over private enterprise devoted to the production of material commodities should be extended, diminished, or left where it stands.

3. Had we been instructed to enter upon this question, we should doubtless, like other groups of enquirers into controversial topics, have discovered wide divergencies of opinion to exist among ourselves.

4. As it is, we are concerned only, in the words of our reference, with "the exercise and distribution by the Government of its functions" in this as in other spheres. That is to say, we do no more than take account of the facts as they exist, of the alternative possibilities of the future, and of the administrative measures required to enable Departments to discharge such responsibilities as Parliament has laid or may lay upon them.

5. The facts are that before the war Parliament applied certain measures of control, mainly exercised through one Department, the Board of Trade, in a limited number of branches of private industry; that during the war the amount of such control, and the direct encouragement of some forms of industry by the State, has been very greatly increased and has been entrusted to a variety of Departments; and that in the period after the war the continued application of some such measures, whether regulative or stimulative, is to be anticipated.

6. Whatever measures, be they narrow or comprehensive, Parliament may continue, or in future enact, for the control or encouragement of industry, will involve a lesser or greater amount of administrative work which will have to be performed by one or more Departments of State.

7. The sole question which we have before us in this Chapter is whether this work, whatever its amount, should be concentrated in the hands of a single Department, or if not, between which Departments it should be distributed.

8. The decisions of Parliament in relation to the matters which we have in mind may affect with various degrees of generality or minuteness a very wide range of private undertakings engaged in activities so important and diverse as mining and manufacture, agriculture, forestry and fishing, the provision of means of transport by land and by sea, the various branches of internal and external trade, and the business of the production and distribution of commodities.

9. We have accordingly had to consider whether the functions thereupon falling to the Board of Trade, the Board of Agriculture and Fisheries, and, to a less extent, to several other Departments, can be best supervised by a single Ministry, or by several Ministries all devoted in principle to the same end of increasing the productive capacity of private enterprise, and therefore associated with each other, whenever requisite, by some machinery of joint committees, though severally specialising in a distinct sphere. In the latter alternative separate Ministries might be responsible to Parliament for (a) Commerce and Industry; (b) Agriculture and Forestry; (c) Fisheries; and possibly for other Government activities initiated by Parliament in relation to the matters mentioned above. To this point we recur in the concluding paragraphs of this Chapter (see paragraphs 31-35, p. 42, below).

10. The services to be rendered by the Department or Departments to which duties in this sphere might be entrusted would therefore comprise (a) thinking about, and (b) exercising such a measure of control as Parliament might determine over the production and distribution of commodities by private enterprise, including (i) assisting the increase of production ; (ii) preventing fraud and adulteration ; and (iii) generally watching over and protecting the interests of the consumer and of the community as a whole, in relation both to the production and distribution of commodities.

11. In the execution of these duties the Departments of State would, in the main, be brought into contact with private enterprise, but they would deal also under statutory authority with the Municipalities and other Local Authorities in respect of their enterprises for the supply of commodities or services by way of trade. So far as the Co-operative Societies and Federations came into relation with the Government, the principal Department operating in this sphere would deal with them. The same Department would participate with the Colonial Office, and with the Foreign Office and Department of Overseas Trade, respectively, in any steps taken by the Government to develop trade within the Empire or in foreign countries ; and would supervise the arrangements for British participation in trade exhibitions both in this country and abroad.

12. If it becomes part of the policy of the Government to encourage the development of private enterprise along the line of amalgamations, combinations and trusts, or even of price agreements ; and if these developments should come under the supervision of Parliament, it would be by this Department that the correlative obligation of protecting the consumer against excessive prices would have to be undertaken. The Department would have at its disposal in the execution of any such duties the results of experience acquired during the war in the examination of costings, the standardisation of processes and products, and the regulation of production in various stages of manufacture. Any control of prices in particular commodities, by such devices as the sliding scale of prices and dividends under the present Gas Acts, would conveniently be administered by the same authority.

13. It is open to question whether a Ministry exercising any functions of this character would not also be the best equipped of the Departments of State to conduct any examination of costings, or other work such as is mentioned in the preceding paragraph, on behalf of other Government Departments, or of Local Authorities, carrying on material production, acting, of course, in close conjunction with these other authorities.

14. This Ministry would also be appropriate to exercise any measures of control directed to ensuring supplies, and to administer any priority regulations which it might be decided to maintain in application to private industry.

15. It would also deal, in succession to the Board of Trade, with inventions and the Patent and Trade Marks Acts ; with the constitution, registration, supervision and winding-up of companies ; and with bankruptcy.

16. A leading feature of this Ministry should be its Intelligence Department, in constant touch with whatever activities may come within the Ministry's purview. As we have elsewhere remarked,* the organisation of the Board of Trade already includes a Department of this character.

17. Such a concentration of functions as we have indicated in the hands of the Board of Trade (whether under this name or another) would involve

* Chapter IV, paragraph 5, p. 23. See also Cd. 8912.

a close relation between that Department, the Board of Agriculture and Fisheries, and the Development Commission. If any control is to be exercised after the war over the various branches of private industry which, under war conditions, have lain within the province of the Ministries of Food, Munitions, and Shipping, the extent of the control thus continued will probably not be so great that it cannot be conveniently administered by the Department primarily concerned with Commerce and Industry as a whole, in succession to these three temporary Departments.

We think that the Department should also take over from the Chief Registrar of Friendly Societies the registration and sanction of the rules of co-operative societies.

18. Whether the Department should deal with railways and canals would, in our view, for the reasons given in Part I of this Report (paragraphs 21-22), depend upon whether those undertakings revert after the war to their former position of private enterprises subject to a certain measure of public control. If the shareholders in the railway and canal companies should be expropriated, and the railways and canals thus become, under whatever form of administration, a State enterprise, they would, upon the principle that we have adopted, become the sphere of a separate Ministry of Railways or of Transport. The same may be said of the coal mines, and of any other enterprises temporarily controlled by the State under exceptional war conditions.

19. The Ministry would have special relations, involving Advisory Committees, with the directors and technicians of a wide variety of industries, and with the representatives of the consumers (both those organised in Co-operative Societies and others) of a large number of products.

20. We proceed to consider the main objections to the inclusion of any such Ministry or Ministries as we have outlined above among the Departments of State, together with the principal arguments in favour of the establishment of such a Ministry or Ministries, and their concentration upon the function of encouraging increased material production in private enterprise.

21. It may be objected that there is no need for a Ministry having for its express purpose the promotion of increased material production in private enterprise; and that, indeed, any such interference by the Government is to be deprecated. We have already, at the opening of this Chapter, explained that we have no authority to endorse or controvert such an expression of opinion. We can deal only with the facts, as they have gradually developed during the past three-quarters of a century. For good or for evil the work of government in connection with private and municipal enterprise had, in 1914, already become extensive and varied. The course of development prior to the war, greatly accelerated and extended by the experience of the war, may possibly lead to the recognition of the promotion of increased material production in private enterprise as a permanent function of government, and to its concentration (subject always to the question whether there should be one such Ministry or a group of such Ministries) in the Ministry primarily concerned with Commerce and Industry, and standing in succession to the Board of Trade as it was before the war.

22. We are impressed by the fact, that from its inception, as a "Committee for Trade" in 1622, down to the outbreak of war, the Board of Trade had been the main repository of the relations of the Government with private enterprise in material production, whether in the form of stimulus, information, regulation, or prohibition. This administrative control extended to

many important branches of private enterprise, whether conducted by individuals on their own behalf, of co-operative, or municipal; to manufacture and trade, both at home or overseas; to transport, retail distribution, and the provision of power and light; to navigation and astronomy, weights and measures, and insurance; and involved the Board in the consideration of Customs Tariffs and public regulations at home or abroad; and in relations with private enterprises both in prosperity and insolvency.

23. To this concentration in the Board of Trade, and during the last few years partly also in the Board of Agriculture and Fisheries, of practically all the forms of government stimulus and government control, so far as private enterprise is concerned, there was, down to 1914, only one important exception. The administration of the long series of Factories and Workshops Acts from 1802, and of the Mines Regulation Acts from 1840, has been entrusted to the Home Office. In the first half of the nineteenth century, when these Acts were conceived, they were regarded, we suggest, not as measures for the improvement of the industries to which they applied—as they have since very largely proved to be—but merely as acts of police, designed to prevent particular offences of oppression by employers against helpless individuals of such defenceless classes as women and children. The Board of Trade became, however, more and more the Department dealing with private enterprise as such, including its employment of labour; and the long and varied series of Merchant Shipping Acts, Railways Regulation Acts, the Acts relating to gas and electricity enterprises, to waterworks and harbours, the Trade Boards Act, the Conciliation Act, and finally those establishing the Employment Exchanges and the system of Unemployment Insurance, were, with many others, placed within the sphere of the Board of Trade.

24. The four years of war, with its abnormal development of State control over the whole realm of national industry, have, to a large extent, destroyed this concentration of function in the Board of Trade. The Ministry of Munitions has attracted to itself the control over war industries, especially in the "hard" trades; the Ministry of Food has exercised control over import and export, wholesale trade and retailing, so far as foodstuffs are concerned. Even the control over shipping has been largely entrusted to the separate Ministry of Shipping, whilst the wool and leather industries, with some others—the "soft goods war industries"—have fallen within the special sphere of the Contracts Department of the War Office. Meanwhile all that concerns the conditions of employment—the Trade Boards Act, the Conciliation Act, the Employment Exchanges and Unemployment Insurance—has been made the subject-matter of a separate new Department, the Ministry of Labour. The work of the Board of Trade has doubtless not been made actually less than it was before the war; but the amount of State intervention and control exercised by it has been temporarily overshadowed by that exercised through the new Ministries of Munitions, Food, Shipping, and Labour, and by the War Office and Admiralty.

25. Some rearrangement of these functions of government has, therefore, become imperative. It may be assumed that a large part, and possibly the greater part, of the work at present done by the Ministries of Munitions, Food, and Shipping, by the Contracts Department of the War Office, and by various branches of the Admiralty will be discontinued soon after the war. But some of it, we must assume, may be continued. The Ministry of Labour is intended to be permanent; and it is plain that its functions are likely to increase in scope and importance. We have to consider how far the principle suggested

in Part I. of this Report, that of concentration of business according to the nature of the service to be rendered to the community, helps us to determine how all these various functions should be allocated among Departments.

26. The first deduction from our main principle is that the work of the Ministry primarily concerned with the application to ordinary Commerce and Industry of the law from time to time subsisting, into which Ministry we assume that the Board of Trade will develop, should be restricted to the maintenance of relations with private enterprises; and should not extend to the actual carrying on of any extensive State enterprise that may be determined upon, whether in production, transport, or distribution. The present Ministries of Munitions, Food, and Shipping, like the War Office Contracts Department and the Admiralty in some of their operations, have two separate functions—they manage the nation's own factories and its own means of transport and distribution, on the one hand, and in this capacity effect gigantic purchases and sales of raw materials, foodstuffs and commodities of innumerable kinds, for use or consumption by the public at large, as well as by the Government service; and, on the other, they stimulate, supervise, regulate and control private enterprise in the industries and services of which they have assumed the direction. Apart from other considerations, we are decidedly of opinion that, in normal times, a combination in the same Ministry of the administration of any considerable State enterprise, involving the direct employment of labour on a large scale, the extensive purchase of supplies of many sorts, and possibly equally extensive sales to the public, with the duty of stimulating, regulating and controlling private enterprises in the same or cognate industries or services, is open to the gravest objection. It is clear, from the experience of the Post Office, the War Office, and the Admiralty, as it is from that of the State railway administrations of the Dominions and of other countries, that the greater part of the time and thought of a Ministry responsible for a nationalised service is necessarily taken up with the special problems constantly arising from the difficulties of organising a very large staff of persons in direct employment; and that these problems require, as they also promote the development of, a peculiar form of expert capacity which is quite distinct from that required in a Department which has only to consider relations with other people's enterprises.

27. There is an additional reason for dividing the administration of the nationalised services from the function of dealing with private enterprises. A Department responsible for the direct employment of large numbers of men and women is not likely to be implicitly trusted either by employers or employed, if it is charged also with the function of determining the conditions of employment in private or municipal enterprise, whether these relate to accidents, hours of labour, sanitation, or wages. A Ministry itself engaged in production for the satisfaction of private consumers will hardly be trusted, either by other manufacturers or by the public, if it is charged also with protecting the consumers from adulteration or excessive prices, or with determining the conditions under which competing products shall be permitted to be manufactured or imported. Rightly or wrongly, there exists, we suggest, an instinctive rivalry between State and private enterprise in the same field, whether it be that of Municipalities, Co-operative Societies, or private individuals. A Minister and a Department directly charged both with the administration of the State enterprise and with the regulation of private enterprise in the same or any cognate services, will inevitably be suspected of bias towards one or the other, in a way injurious, as we suggest, to both of them.

28. This restriction of the Ministry primarily concerned with Commerce and Industry, in the sense defined above, to the sphere of private enterprise, must not, however, be interpreted pedantically. If, for instance, it were decided that the State should own the proposed new super-power stations, whether or not these were worked by a Government Department or by federations of Local Authorities, or by Managing Companies, it might be desirable to vest the ownership and even the management of the stations in this Ministry. The running of the stations would require a comparatively small staff of clerical and manual workers, and their establishment is predominantly for the purpose of increasing the efficiency of private enterprise. Similarly, in the case of a Ministry of Agriculture and Forestry it might, and probably would, be desirable that it should manage any experimental farms or State enterprise in forestry, since these undertakings are at present unlikely to assume large proportions, and will be carried on more as a means of discovering the best methods of production than as a way of supplying the needs of large bodies of consumers.

29. It may be suggested that, whilst the functions of the Ministry ought not to comprise the administration of any State enterprise in the production of commodities or provision of services, they should, on the other hand, include the duty of supervising and regulating the conditions of employment, which we think should be assigned to a separate Ministry. We have given elsewhere the reasons which lead us to recommend the maintenance of a separate Ministry of Employment, and the general concentration within it of the functions assumed by the Government with regard to the determination of the conditions of employment. We need here only observe that the function of promoting the highest efficiency in the production of commodities and provision of services, in so far as this belongs to private enterprise, appears to us to require a different range of knowledge, a different administrative method, a different aim, and therefore a different form of expert capacity, from that involved in determining and maintaining those conditions of employment which it is the interest of the State, and therefore the desire of the Government, to secure. It is, accordingly, essential to the highest success of the one Ministry as of the other that they should be independent and distinct, each with its own specialist training, and its own corporate tradition.

30. There is a further, and in our opinion, a decisive reason for entrusting the primary responsibility for these two kinds of functions to separate Ministries. Their immediate aims, and therefore their policies, may not infrequently conflict. The purpose of promoting private enterprise may well lead to projects and proposals which take slight account of the probable effect upon the conditions of employment, either of the persons concerned or of others indirectly affected; and these projects and proposals would need to be independently scrutinised, and possibly modified, in order to prevent consequences injurious to the community. On the other hand, the purpose of maintaining proper conditions of employment may inspire regulations which would seriously affect the productive capacity of particular enterprises, and these regulations would equally need independent criticism and appropriate modification. If the same Minister, and the same Department, were responsible for determining the conditions of employment and for encouraging private enterprise in the production of wealth, it is inevitable that there should be, if not an undue subordination of the one purpose to the other, at least a general suspicion, on the one side or the other, of such a sacrifice of interests,

with the result, it is to be apprehended, that the Ministry would find itself, not merely disliked by both employers and employed, but also working in an atmosphere of mingled resentment and fear which would be fatal to efficiency. The Minister responsible for Commerce and Industry and the Minister responsible for Employment must therefore, we suggest, be distinct and independent; but it is equally important that they should be constantly in very intimate consultation with each other in all matters of common concern to the two Departments.

31. Before concluding this Chapter we have had to consider whether in our view the decisions of Parliament in regard to the activities of the Government in encouraging production in the industries of agriculture, forestry and fisheries should be carried into effect by the Department entrusted with the execution of similar decisions in relation to other forms of private enterprise engaged upon material production, or should be entrusted to a separate Department or Departments.

32. In principle the promotion of increased material production in agriculture, forestry and fisheries falls within the same main division of the business of Government as the activities which we have already considered in detail in this Chapter. But in practice separate Departments have for some time been established in England and Wales, in Scotland, and in Ireland respectively, to administer the law from time to time subsisting as it affects these forms of industry.

33. We do not, therefore, consider that it would be practicable to concentrate these activities, in addition to those which we have already described, within a single Department for the United Kingdom concerned with commerce and industry as a whole.

34. We accordingly confine ourselves to registering our opinion that the supervision of agriculture should, under whatever scheme of geographical distribution of duties, always rests in the hands of the same authority for a given area as the supervision of forestry; and that it will be of great importance for the Department, or Departments, entrusted with these duties in the several parts of the United Kingdom, to maintain close relations with the Department concerned with commerce and industry in general, in regard to such matters of common interest as the development of transport facilities and the establishment of markets.

35. It has been suggested to us that the arrangements at present in force, as regards England and Wales, under which the relations of the Government with the industry of fishing are maintained through a single branch of the Department primarily concerned with agriculture, cannot effectively secure a proper measure of attention to the development of this important source of food supply. We think that this question merits the careful consideration of the authorities concerned, though we have not before us the information which would entitle us to pronounce definitely upon the respective merits of schemes for providing that fisheries should receive the undivided attention of a Minister (whether subordinate or separate), and of schemes for meeting the requirements of the situation by administrative readjustments within the framework of the existing Department.

CHAPTER VI.

EMPLOYMENT.

1. The constitution of the Ministry of Labour (which, we suggest, should be called the Ministry of Employment) is in harmony with the principle of concentration of the functions of government according to the nature of the service rendered to the community. The service rendered by such a Ministry would, in its fullest extension, comprise (a) thinking about the conditions of employment; (b) directly administering certain agencies connected therewith; and (c) supervising these conditions. Its sphere is not necessarily confined to employment in private enterprise, or to manual work, but has already been tentatively extended to employment under local authorities and Government Departments, and to brain workers as well as to manual workers. The Ministry is concerned, in fact, with the conditions of employment of all persons in so far as cognisance may be taken of them by Parliament; just as the function of the Ministry concerned with Production applies to all productive enterprise by whomsoever conducted.

2. The following functions would seem properly to fall within the sphere of the Ministry of Employment, so far as they may be brought within its purview from time to time by Parliamentary enactment:—

- (i) the ascertainment and regulation of the conditions of employment, especially as regards wages, conciliation and arbitration, hours of labour, sanitation and safety, and special provisions relating to young persons and women;
- (ii) the co-operation of the State with Employers' Associations and Trade Unions in their functions connected with the conditions of employment;
- (iii) the administration of Unemployment Insurance, the Employment Exchanges, and the Mercantile Marine Offices, so far as seamen's employment is concerned (the latter in concert with the Board of Trade);
- (iv) the administration of the Trade Boards Acts, the Coal Mines (Minimum Wage) Act, and the minimum wage sections of the Corn Production Act; together with the supervision of the various Boards set up under these Acts;
- (v) the administration of any provision made by the State, either directly or through local authorities, for the unemployed;
- (vi) such of the functions of the National Service Department as may be continued, so far as they relate to civil employment;
- (vii) advising the appropriate authorities as to the prevention of unemployment by the postponement or forestalling of works and contracts.

3. It is clear that the efficient discharge of some of the functions enumerated in the preceding paragraph will depend upon the maintenance of close and cordial relations by the Ministry of Employment with other Departments.

4. While, for example, we are satisfied that the inspection and regulation of conditions affecting the health and safety of industrial workers are matters for which the Minister of Employment, and not the Minister of Health, must be responsible to Parliament, it is no less clear, in our view, that the Ministry of Health cannot be excluded from concern with the standards required in relation to these matters. There should, therefore, be a regular system of consultation between the professional and administrative officers concerned in the two Ministries; and if a formal arrangement proves the most satisfactory

for the purpose, a standing committee of the two Departments should be established. In the alternative, the ordinary methods of consultation will probably require to be supplemented from time to time by the appointment of special committees (on the principles which have proved conspicuously successful in the case of the Health of Munition Workers' Committee) to advise the Minister of Employment upon problems of industrial health which are new in kind, or have assumed a peculiar importance or urgency.

5. Again, the administration of the laws relating to vagrancy or refusal to work will probably require similar concerted action between the Ministry of Employment and the Ministries of Justice, Health, and Education. We have already indicated that the administration of the Mercantile Marine Offices in relation to employment may similarly make it necessary for joint working arrangements to be established between the Ministry of Employment and the Board of Trade.

6. So, too, the consideration of means of preventing the occurrence of unemployment could probably be facilitated by the establishment of a standing joint committee consisting of representatives of (a) all the principal spending Departments, together with the Ministry of Finance; and (b) the principal local authorities; or possibly separate committees of these two kinds, in order to have regard to the state of the labour market with a view to postponing or forestalling public expenditure on works and services so as to keep the aggregate national demand for labour, including that of private enterprise, approximately uniform from year to year and from season to season.

7. The Ministry of Employment should become the central repository of information about the rates of wages and scales of salaries in all the various employments throughout the United Kingdom. It should record the variations in the cost of living from place to place and from year to year. Through its Employment Exchanges and its Juvenile Advisory Committees it should be perpetually diagnosing the relative attractiveness of the various occupations, the waxing and waning of demand in particular trades and particular localities, and the opportunities, old and new, for professional employment. It is desirable that this information should be always available to other Government Departments, in connection with the terms of engagement of the staffs which they employ or direct. With this object, it may be expedient for the Government Departments responsible for services in which large numbers of persons are engaged to make a practice of consulting the Ministry of Employment in all matters relating to the remuneration or conditions of service of particular sections of employees. This might apply, for instance, not only to the industrial enterprises of the Admiralty, War Office, and Post Office, but also to the Civil Service generally, whatever Department may be responsible for the conditions of employment. The same considerations might apply in the cases in which the Government, whilst not itself directly the employer, necessarily exercises influence in settling scales of remuneration and conditions of service. One such case is that of the action of the Board of Education with regard to school teachers; and another may be that of the Ministry of Health with regard to that part of the medical profession which is engaged in the administration either of the Public Health Acts or the National Health Insurance Acts.

8. Similar consideration will make it desirable that the Board of Education should maintain the existing practice of acting in concert with the Ministry of Employment with regard to the starting in employment of young persons leaving school, and in connection with the work of the Juvenile Advisory Committees; together with the curriculum and the arrangements of the Continuation Schools

and Technical Education generally. The knowledge gained by the Ministry of Employment should also be available for the guidance of the Ministry concerned with Production in connection with the effect upon employment of schemes of scientific management, welfare work, etc.

9. The concentration in the Ministry of Employment of the functions indicated above would seem to involve the transfer to the present Ministry of Labour of the administration of the Factories and Workshops, Shop Hours and Mines Regulations Acts, and of the Coal Mines (Minimum Wage) Act, now under the Home Office ; of the registration and sanction of Trade Unions and their rules, now the work of the Chief Registrar of Friendly Societies ; of the Mercantile Marine offices so far as concerns seamen's employment, now under the Board of Trade ; of the Wages Boards under the Corn Production Act, now under the Board of Agriculture and Fisheries ; and of all functions relating to the unemployed able-bodied which are at present exercised by the Local Government Board.

10. The Ministry of Employment would have special relations (perhaps involving Advisory Committees, either for separate industries or for industry as a whole) with Employers' Associations and Trade Unions.

11. This broad conception of a Ministry of Employment has been criticised in various quarters ; largely, it would seem, owing to misconceptions either as to the nature of the service rendered by such a Ministry, or as to the functions actually performed by the existing Ministry of Labour.

12. The objections may be classified as follows :—

- (a) There are those who object, as regards Industry and Commerce, to the very principle of a distribution of business between Ministries based upon the nature of the several services rendered to the community. They argue that everything relating to " Industry " (or to " Commerce," or sometimes to " Industry and Commerce " combined) should be dealt with by one Department, which should, therefore, include everything relating to vocational or technical education ; occupational diseases and special health legislation and inspection ; tribunals that are specialised to particular industries ; financial arrangements with industries, such as bounties and preferential duties, and special taxation ; as well as the supervision and stimulation of production, distribution and exchange, and all matters relating to the employment of labour.
- (b) There are those who recognise that this would create too large a Department ; and those who, for other reasons, desire separate treatment for distinct industries. These suggest similarly the inclusion of all services, but they propose separate Ministries for Agriculture, Shipping, Mines, Railways, Textiles, Iron and Steel, etc.—each dealing with the specialised Education, Health, Justice, Finance, and Employment for its own industry.
- (c) There are those who accept the principle of distribution of business between Ministries according to services, even in respect of Industry and Commerce, so far as concerns Health, Education, Justice, and Finance ; but who demur to the recognition of Employment as a service, and hold that it should be included with Production (*i.e.*, the present sphere of the Board of Trade).
- (d) There are yet others who accept the legitimacy of a distinct Ministry of Employment so far as private enterprise is concerned, but object to its having any jurisdiction, even within the subjects assigned to it

over other Departments as employers, or even over Government contractors and controlled establishments.

- (e) Another objection often taken is that the demarcation of particular borderline functions between the Ministry of Employment and other Departments concerned may prove an insoluble problem. This difficulty arises under all proposed schemes of distribution of work among Ministries; and does not affect the establishment of a Ministry of Employment more than that of other Ministries. It is dealt with in relation to this Ministry in paragraph 27 below.

13. The case for the adoption of some definite principle, and that principle one of concentration according to the nature of the service rendered to the community, in the distribution of work among Ministries, has already been sufficiently argued. The proposal that "Industry," or "Industry and Commerce," should be otherwise dealt with, and should be itself self-contained, would involve the abandonment of concentration as regards the Ministries of Education, Health, Justice, and Finance, Ministries which must in any case continue to exist for the rest of the population, and would thus lead to duplication and overlapping, and a renewal of the chaos out of which we have now to struggle. It is really a demand, as regards "Industry" (or "Industry and Commerce") for the adoption of an inconsistent principle of distribution, namely that by classes of persons or corporate bodies dealt with. It is, as we have seen, possible to adopt as the guiding principle one or the other. But it would be highly inexpedient to adopt both.

14. The desire of some of those who argue for an entirely independent and all-embracing Ministry of Industry which should deal with all specialised Education, Health, Justice, and Finance, as well as with Production and Employment, is to obtain "Self-Government for Industry." It is interesting to notice that it is sometimes the employers, sometimes the spokesmen of the Trade Unions, who put forward this idea. Each side hopes and assumes that it would succeed in getting the dominant influence; whilst both look forward to bringing to bear a superiority in technical knowledge that would prevent the Ministry from exercising effective control.

15. It will be noted that the argument for an all-embracing and independent Ministry of Industry, including all that is done by Government for those engaged in Industry, is not that of Individualism versus Collectivism; nor has it any relation to *laissez-faire* versus Government Control. There is no suggestion that the individual workman or employer should be free to do as he likes. What is aimed at is that the control and regulation which becomes necessary should be exercised, virtually, not by a Ministry which would be specialised, competent and expert, and able to safeguard the interests of the community as a whole; but by the influence of dominant corporate bodies representing either employers or workmen, upon a Ministry which, it is asserted, ought to represent "Industry," and could be made to express the views of "Industry" (or of the particular industry concerned), as against those of the rest of the community. If we maintain the view that the supreme function of Government, and of every Minister is to assert the common interest of the community as a whole, it seems indispensable to adopt the principle of distribution by services; and thus to negative the proposal for a Ministry that would actually represent the interests of those engaged in Industry, whether employers or employed.

16. The same argument applies to the proposal that there should be separate Ministries for particular non-nationalised industries, dealing severally with the specialised Education, Health, Justice, and Finance, as well as

Production and Employment, of their particular industries. But it applies even more strongly. Ministries dealing with particular industries under private enterprise inevitably come under the influence of the trade associations concerned, whether of employers or of workmen.

17. Those who accept the principle of distribution by services, but demur to the recognition of Employment as a service, require an entirely separate answer. It is urged that there is no such distinct service rendered to the community, or function of Government, as the supervision of Employment. This objection is, however, based on the imperfection of our nomenclature. The work of the present Ministry of Labour, with its administration of Employment Exchanges and Unemployment Insurance ; with its constant concern with Labour disputes, and Conciliation, and Arbitration ; with its administration of the Trade Boards Acts, and the fixing of legal minimum wages ; and with the preparation of Labour statistics, comprises already an extensive, and separate, service of Government. The work that has been cast upon it in connection with finding employment for the professional classes indicates a further development. When the service is defined as the supervising and controlling of the conditions of employment, in so far as public cognisance is taken of them ; and the maintenance of whatever may be prescribed from time to time as the national minimum standard of life for the employed population—including not only wages, but also hours, amenity and continuity of employment—the service rendered to the community by the Ministry of Employment is seen to be large, distinctive and apparently steadily increasing in scope and range.

18. It is a mistake to suppose that the Ministry of Employment need be concerned—or that the present Ministry of Labour is concerned—exclusively with manual workers. The Employment Exchanges are open to, and cater extensively for, clerical workers, and, indeed, all kinds of employment for hire. The Ministry is also now actively engaged in finding professional situations for discharged Army officers. In the prevention of disputes, and of unemployment, the Minister of Labour is responsible equally for all grades and kinds of persons employed. His statistics as to wages and salary scales, and his duties in connection with the maintenance of any prescribed national minimum standard of life, apply over the whole field.

19. It is sometimes urged that the Ministry of Employment would more conveniently form a part of the Ministry concerned with Production (as the functions of the Ministry of Labour were formerly exercised by the Board of Trade), because it suits employers better to have only one Department to deal with for all purposes. This is really a plea for the adoption of the rival principle of distribution of business according to the class of persons dealt with. But, as with Local Authorities, it is impracticable to concentrate all dealings with employers in one Department. The great industrial companies, which are the typical employers of to-day, are constantly having dealings with the War Office, the Ministry of Munitions, and the Admiralty ; they came into such frequent contact with the Foreign Office that a new joint Overseas Trade Department had to be set up ; they go to the Board of Education for their factory schools ; to the Board of Inland Revenue as to taxation ; to the Home Office for Factory and Mines regulations ; to the Department of Scientific and Industrial Research about research ; and even to the Local Government Board about smoke abatement, alkali works, or canal boats.

20. It is urged that the Board of Trade heretofore found it helpful, in inducing employers to do what is reasonable in regard to labour, to have a means of influencing some of them through its power of legal regulation. This, however,

applies only to railways, shipping and gas companies, not to industry generally. It is not a very sound argument, but if its force is admitted, it would seem to tell in favour not of the Ministry concerned with Production, but of the Ministry of Supplies, which may have a greater potential influence over all trades.

21. A more formidable resistance to the Ministry of Employment is raised by some other Departments, who object to its exercising any functions with regard to Labour employed by, or under the control of, their own particular Departments. The Admiralty may resent any such intervention in the naval dockyards. The Ministry of Munitions may wish to deal on their own responsibility with questions of wages, hours, conditions, or disputes in the national factories and controlled establishments. Similar arguments may be adduced by the Board of Trade in regard to possible questions of this kind arising among the employees on the railways, in the Mercantile Marine, or in gas, electricity, harbour and tramway undertakings; by the Home Office in regard to labour in mines, and by the Local Government Board in regard to conditions of employment under Local Authorities.

22. It is needless to say that to admit the force of these contentions would be to destroy the Ministry of Labour (or of Employment) altogether. It is said that, already before the war, the persons directly employed in the United Kingdom by the Government (national and local) in civil capacities amounted to upwards of one million; those in the railway and mining services to a further couple of millions; whilst those engaged upon Government contracts may at all times have amounted to another million.

23. If this be so it implies that, already before the war, four millions out of the fifteen millions of persons in the United Kingdom who were employed within the meaning of the National Health Insurance Acts were working either in direct Government employment, or for Government contractors, or in the railway and mining services. At present the proportion and the range of Government employment, direct and indirect, is, of course, immensely greater. The Employment Exchanges and Unemployment Insurance cannot be set up in duplicate for these particular employees. Moreover, as has now been realised, any decisions as to wages for so large and varied a part of the total army of Labour have a direct and immediate effect on all the rest of that army; and ought certainly not to be dealt with apart. If any Department is to deal with unemployment, or with the allocation of man-power in different industries, or with the settling of people into situations, the problem must plainly be handled as a whole, and not Ministry by Ministry, or trade by trade. The plea for the privilege of exclusive dealing with its own employees, even when made on behalf of so important an employer as the Ministry of Munitions, or the future Ministry of Supplies, is seen to be untenable when it is reviewed in conjunction with the similar pleas of many other Departments. It is in effect a survival from the time when there was no Ministry of Labour (or Employment); and when Parliament took no cognisance of the matters now properly falling to be dealt with by this Ministry. Each Department then claimed, not unreasonably, to be as free as a private employer. The relation of the Ministry of Employment to the employing Departments should be analogous to its relation to private employers.

24. On the other hand, it has been urged that the Ministry of Employment should exercise, not the same jurisdiction over Government employment as over private enterprise, but peculiar and much more extensive functions. It has been suggested that the Ministry of Employment should relieve the other Departments of all their functions as employers of labour, just as the

Office of Works relieves the Departments of all their responsibility for furniture and repairs ; and that the Minister of Employment should engage all the staffs, settle the wages and conditions of employment, and supply all the man-power required by other Departments, or at any rate, by all but the very largest among them.

25. This, however, would be to pervert the Ministry of Employment into something different from what it was designed for, and to impose upon it tasks which would prevent any efficient discharge of its essential duties. It is very doubtful whether a general employment branch for all the different kinds of work of all the different Departments, with the division of authority and responsibility that it would involve, would conduce to the efficiency of these Departments. What is certain is that the mixture of functions in the Ministry of Employment itself—the combination of a great employer with a powerful supervisor of other employers—would be disastrous to the success of the Ministry in its relation with both Trades Unions and Employers' Associations in private enterprise.

26. It might be desirable to set up a joint committee of the chief employing Departments, under the presidency of the Minister of Employment, to consider not merely the special requirements of these employing Departments, but also any new regulations proposed by the Minister of Employment in respect of industry as a whole, which might affect the existing arrangements of the employing Departments. It is manifestly undesirable that great Departments of State, such as the Admiralty, the War Office, or the Ministry of Munitions, which also happen to be large employers of labour, should be called upon by another Department to revise their wage contracts or their methods of engaging or dismissing labour, without being previously consulted. This prior consultation is seen to be essential in time of war, when these Departments may be employing, directly or indirectly, more than half the whole working population, but it is nearly as essential in peace times, when they may be employing a smaller proportion. Just as private employers are consulted through their associations, which Departments cannot join, so these Departments might well be consulted in the appropriate form of a joint committee.

27. The demarcation difficulties raised in connection with the Ministry of Employment constitute a separate objection, but one which will arise with every Ministry, and would not be avoided by the adoption of any principle on which to base the distribution of functions among separate Ministries. There will always be borderline cases, where it is difficult to keep strictly to any logical classification, and unnecessary to attempt to do so. Such difficulties may be left for adjustment on lines of common sense, according to the requirements of each case. The practical expedients of (a) joint committees between Ministries ; and (b) the undertaking by one Ministry of services required by another, are always available. Some such relationship might well need to be established between the Ministry of Employment, and the Ministries of Justice, Health, and Education, in such borderline subjects as the administration of the Factory, Mines, Workshops, Trade Boards, Truck and Shop Hours Acts ; the Juvenile Advisory Committees of the Employment Exchanges ; and the Reformatory Schools.

28. The desire has been expressed for some greater co-ordination and simplification of the various kinds of visitation and inspection, at the instance of such separate Departments as the Home Office, the Board of Education, the Board of Trade, the Ministry of Labour, etc., to which employers of labour are now subjected.

In a Ministry of Employment constituted on the lines suggested above there would no doubt be a distinct Inspection branch, in which would be combined some or all of the present staffs of Inspectors dealing directly with employers in their places of business. Such an Inspection branch, while its officers would be the servants of the Ministry of Employment, would be in a position to undertake general inspections for purposes required by other Departments, at their request and subject to the consent of the Ministry of Employment as the Department with which the appointment and discipline of the Inspectorate would rest. These inspections would in some cases furnish the other Departments concerned with the information which they required. In some cases, however, the general inspection would need to be supplemented by enquiries conducted, not by the officers of the Ministry of Employment, but by the Inspectors of the other Departments concerned, who would be possessed of special qualifications for dealing with the questions relating to health, education, or other distinct services, which were involved.

It would thus be possible for the Inspection branch of the Ministry of Employment to be responsible in the first instance for conducting enquiries into the conditions of employment in the widest sense; and, while reference to the specialised Inspectors of other Departments would be made where the facts of the case required it, the concentration of as much of the work of inspection in industrial establishments as possible in the hands of a single staff might effect a very considerable reduction in the number of visits paid to a given establishment by the officers of different central authorities.

CHAPTER VII.

SUPPLIES.

1. We have considered various proposals for concentrating in the hands of a single Department of State the business of obtaining the supplies required by the Government, whether for purposes of national defence or for civil purposes.

2. We are satisfied that it would be advantageous to establish a Ministry of Supplies without delay, in order

- (a) to eliminate competition between Departments for labour, materials, and the services of individual firms;
- (b) to ensure that the prices paid and the conditions imposed under Government contracts for various classes of work should so far as possible be arranged upon uniform lines;
- (c) to secure economies in the use of technical staffs (such as contracting, accounting, costing and inspecting sections).

It seems clear that the imperfect allocation of functions between Supply Departments which prevailed on the outbreak of the war, and has not even now been completely remedied, has resulted in very considerable waste of effort and in extravagant expenditure.

3. We therefore recommend that the Ministry of Munitions should be reconstituted as a Ministry of Supplies.

4. We have not found it possible to enter upon the detailed enquiries which would be necessary to determine the precise scope of the functions

to be assigned to the Ministry of Supplies at the outset, and we suggest that the Minister of Supplies should be entrusted by the Government with the duty of formulating, in consultation with the other Departments concerned, proposals for concentrating in the Ministry of Supplies as much of the business to which we allude in this Chapter as it may be possible for him to take over, either at once or at some future date.

5. As regards the provision of supplies for purposes of national defence, the complete application of the principle of concentration which we suggest would place upon the Ministry of Supplies the responsibility for meeting the whole of the requirements of the armed forces of the Crown by sea, on land, and in the air.

6. We recognise that the precise allocation of functions between Departments in relation to the design, manufacture and inspection of war material is a question calling for full examination by those who are equipped with a knowledge of the facts and an expert capacity which we do not possess.

7. But the experience of the Ministry of Munitions in becoming responsible successively for the supply of munitions required by the Army, and for the aeronautical supplies required by the Air Ministry, suggests to us that the technical difficulties which may be raised in regard to the provision of particular classes of material through the Ministry of Supplies are not incapable of solution.

8. We think that while in any event the Ministry of Supplies should retain the whole of the functions at present entrusted to the Ministry of Munitions in relation to the provision of supplies for defence purposes, the success of the Ministry of Supplies largely depends upon the degree of approximation that can be attained to the theory of complete concentration which we have suggested above.

9. We desire to add that, as regards the provisions of supplies for defence purposes, we do not contemplate anything analogous to the state of affairs which prevailed before the Crimean War. At that time the Ordnance Department was separate from the War Office and the Horse Guards, and had assumed the title to determine what supplies should be indented for. This system was defective, and, moreover, quite inconsistent with the functions of the General Staff, and the Army Council generally, as subsequently introduced. We think it clear that these new functions should be preserved intact, so that the War Office, and similarly the Admiralty and the Air Ministry, may be free to determine the quality, quantity and use of the supplies for which they indent upon the Ministry of Supplies.

10. As regards Government requirements for civil purposes, we see no reason why the Ministry of Supplies should not at once become responsible for

- (a) the provision of Government printing and publications, books, newspapers, stationery and office requisites, at present undertaken by the Stationery Office as a subordinate Department of the Treasury ;
- (b) the provision of furniture, fuel, light, water and household articles for Government Departments ;
- (c) the provision of all other supplies (except any of a highly technical nature obtained by particular Departments) required or purchased by the Government for civil purposes. The business of the War Office Contracts Department, as it affects the civil population, and

of the Ministry of Food, so long as the activities of these Departments continue, would be proper for consideration under this head.

11. The question whether the Ministry of Supplies should also be made responsible for all ordinary building construction work required by the Government, a class of business which is at present becoming increasingly concentrated in the Office of Works, and for the maintenance and repair of Government buildings, is one which may call for a more detailed examination than we are in a position to undertake. But we think that in any event the provision of the materials required for the construction, maintenance and repair of Government buildings should be placed in the hands of the Ministry of Supplies.

12. We are aware that in the process of giving effect to such a re-allocation of functions between different Departments as we have outlined in this Chapter, it cannot be expected that difficulties will not be raised by Departments desirous of retaining their existing powers and functions. But we wish to express the conviction that if any proposed limitations of the principle which we suggest are considered solely upon their merits, these difficulties will not be found to be insuperable.

CHAPTER VIII.

EDUCATION.

1. In the case of Education, we find that the principle of concentrating the main functions of central Government in relation to a specific service in a single Department is already recognised. It is not, therefore, necessary for us to do more than to draw attention to some of the characteristics in the present organisation which bear most closely upon our enquiry, and to make certain suggestions based upon the principle which now governs that organisation.

2. The Board of Education for England and Wales was established by the Board of Education Act, 1899. It was constituted by bringing into one Department the two separate Departments which had until then been dealing independently with various local education services, and in some instances had been dealing simultaneously on different lines with the same portions of these services. The Departments were (a), the Education Department, which dealt mainly with Elementary Education and with certain Evening Schools; and, (b), the Department of Science and Art, which dealt mainly with Classes in Science and Art in all kinds of educational institutions, including many simultaneously supervised by the Education Department.

It was with the object of remedying this state of affairs, by concentrating in a single Department the supervision of the service of Education as a whole, that the Board of Education was established by the Act of 1899 to take over and unite the functions of the central authorities for Education in England and Wales then existing, together with certain functions of the Charity Commissioners in relation to educational endowments in England and Wales, which were transferred at the same time.

Simultaneously with this concentration of the functions of Government in relation to Education subsisting at that date, the whole field of Education so far as the State might take cognisance of it from time to time, was definitely entrusted by the Act to the Board, which was "charged with the superintendence of matters relating to education in England and Wales."

3. The bulk of the work of the Board of Education is concerned with the Local Education Authorities, acting through their Education Committees. In addition, however, the Board has considerable relations with the governing bodies of many independent or semi-independent educational institutions, ranging from the managers of "certified efficient" elementary schools to the governing bodies of Universities. It is the Board's work to advise and stimulate, and to secure educational progress. For these purposes the administration of grants made from the Exchequer in aid of education and the duty of inspecting educational institutions are concentrated in the hands of the Board.

4. But although the service of Education is thus generally supervised by a single Department, other central authorities have not been excluded from any concern with matters relating to education. Such a result does not necessarily follow from the existence of an Education Department with a wide and general jurisdiction in the educational sphere. What in practice is required is for this Department, with its dominant interest in Education, to enter into effective working arrangements with other Departments whose work involves educational considerations as subordinate to their main activities, but so intrinsically bound up with those activities, that the educational duties involved cannot well be transferred to the administration of the Board of Education.

5. In this connection we draw particular attention to the practice of the Board in establishing systematic relations with other Departments concerned with Education as a means to particular ends. We believe that the application of the same method to the problems arising in other divisions of the business of Government might enable Departments to arrive at an understanding that a number of questions are, from different points of view, a legitimate subject of simultaneous concern to more than one Minister, and must therefore be dealt with on this understanding by the Departments affected.

It will be apparent from the relevant paragraphs of Part I of our Report* that the principle of allocating business to Departments on the basis of the services which each of them is to administer is not invalidated by this necessity for joint action between separate Departments each in charge of a particular service. Such arrangements are rather the complement of the principle, and represent the only method by which, in practice, the principle can operate with success.

6. Thus, for example, the Home Office, so long as it is concerned with Reformatory and Industrial Schools,† is necessarily brought into contact with problems of elementary and other forms of education, and unless the supervision of these Schools is transferred to the Board of Education, the closest relations must subsist between the two Departments in dealing with this part of their work.

Similarly, the Home Office, as the authority responsible for the administration of the law affecting the employment of children (*e.g.*, under the Employment of Children Act, 1903), is bound to come into contact with educational matters; and in order to facilitate co-operation between the Home Office and the Board of Education in dealing with the questions involved, a small inter-departmental Committee has been established to secure the maintenance of constant relations between the Departments with respect to this common ground of interest.

* Part I, paragraphs 18-27, pp. 7-10.

† On the question of responsibility for such Schools, see also Chapter X, paragraphs 51-52, p. 76.

7. We have recommended in the Chapter of this part of our Report dealing with Finance* that the present functions of the Local Government Board in relation to the finance of Local Authorities and to the audit of their accounts should be transferred to the Treasury. As matters have stood hitherto, until the Education Act of 1918 removed the limit to the amount which a County Council might spend upon higher education, it was the consent of the Local Government Board, not that of the Board of Education, which had to be obtained by a County Council desirous of applying more than a twopenny rate to this purpose; and it has resulted from the position of the Local Government Board as the central Department through which relations are maintained with the finance of local authorities, that the Local Government Board is the Department to which Local Education Authorities refer for sanction to raise loans. It would theoretically be possible, therefore, for the Board of Education to approve a Local Education Authority's plans for erecting a new educational building, and for the Local Government Board to veto the whole scheme by refusing to sanction the raising of a loan for the purpose. In practice, the two Departments keep in the closest touch in all such cases, and we mention the facts because they show that so long as two central authorities are concerned, as they must be if both Education and Finance are to be properly related, each must be aware both of the educational and the financial aspects of a given proposal, and effective action depends upon an effective co-operation between the two Departments under arrangements established upon regular and systematic lines. The need for a like form of co-operation between the Treasury and the Departments (such as the Board of Education) charged with the superintendence of particular services, would in no way be diminished by the transfer of functions to the Treasury which we recommend.

8. A similar principle is, we understand, recognised in the case of the Poor Law Schools, where the Local Government Board is at present responsible for the education of the children who, as being destitute, come within the purview of the Poor Law authorities. These institutions are inspected from the educational point of view by the Inspectors of the Board of Education, who communicate their findings to the Local Government Board.

9. A somewhat similar function has, again, occasionally been exercised by the Board of Education, for different reasons, in the case of establishments devoted to the education and training of officers, over which the War Office is the controlling authority. The two Departments concerned have thus become associated in maintaining and raising the quality of the education given, and in securing the proper relation of the standard of education in the military establishments with the standards prevailing in other comparable educational institutions.

10. We may add two further examples in which a still closer form of collaboration between the Board of Education and other Departments is in operation or may in the future be required. The promotion of Agricultural Education is a matter with which both the Board of Agriculture and the Board of Education must be concerned, and in order to avoid overlapping or duplication of work in this sphere between the two Boards, and to secure that every branch of the subject is as fully developed as possible by their combined and separate efforts, regular arrangements have been entered into for the consideration of matters relating to agricultural education by a standing inter-departmental conference of representatives of the two Boards.

* See Chapter I, paragraph 21, p. 21.

11. We anticipate that it will be found desirable, if a Ministry of Health is established on the lines which we recommend,* for the Board of Education and the Ministry to set up a similar joint body or bodies for the consideration of the many problems associated with the health of the infant, the child, and the adolescent, and with medical education, in which it is inevitable and right that each Department should retain an interest. The need for such a body would not, we think, disappear even with the subsequent transfer to the Ministry of the major portion of the present duties of the Medical Department of the Board of Education. The supervision of the medical inspection and treatment of school children, by whatever central authority it is exercised, should not be divorced from questions of curriculum and hours of work and play. Conversely, the Ministry of Health can never be indifferent to the development of physical training, the experience gathered in Special Schools, or, above all, to the impetus given by the Board of Education to medical studies by means of its grants in aid to Universities and Medical Schools.

12. In making these suggestions we must not be understood to exclude the possibility that at some future date the Board of Education may be found to be the central authority best qualified to assume the entire or the main responsibility for the administration of any of the educational services for which some other Department, *e.g.*, the Home Office, Local Government Board, or Board of Agriculture, may at present be answerable to Parliament. But it will be through the adoption of a method of joint working by the two or more Departments now concerned that the right moment to raise such questions can be determined, and the data collected upon which the correct answer will depend.

13. There is one class of business which we think should be transferred without delay to the Board of Education, namely, the administration (now entrusted to the Local Government Board) of the law under which Local Authorities are empowered to establish and maintain libraries, museums and gymnasia.

The extension of facilities for social and physical training for which the Education Act of 1918 makes provision, and the great importance which attaches to the development of all forms of adult education, render it desirable, in our view, that Local Authorities should be encouraged by the central Department concerned with Education as a whole to make the fullest and best use of the limited powers conferred upon them in these matters under the existing law.

14. As regards the National Museums, the present position is that the Victoria and Albert Museum, the Science Museum, the Bethnal Green Museum, and the Geological Museum, are administered by the Board of Education; while the British Museum, the Natural History Museum at South Kensington, and the London Museum, lie outside its jurisdiction.

15. The functions of the Geological Survey and Museum have recently been fully examined by the Coal Conservation Committee, and we desire to express our concurrence with the recommendations made, and with the reasons stated, in the Final Report of that body (Cd. 9084, Appendix III, page 43, paragraph 7), namely, that the responsibility for the Survey "should be transferred from the Board of Education to the Committee of the Privy Council for Scientific and Industrial Research. The results of its work would then form part of the growing body of knowledge and information which it is the special function of that Department to create, co-ordinate, and place at the disposal

* See Chapter IX, pp. 58-63.

of all other Departments." The procedure required to enable the Geological Museum to perform effectively its dual function as a centre of research, and also as an educational institution, would need special consideration, and the establishment of regular inter-departmental relations with the Board of Education, if the Museum is transferred at the same time as the Survey.

16. As regards the other National Museums mentioned in paragraph 14 above, we think that the responsible authorities might consider with advantage the possibility of entering into regular arrangements, by means of a body representative of each of the Museums and established for the purpose, whereby the spheres of the respective Museums should be arranged with a view to the avoidance of competition for objects, and to the development of each Museum to the full as a centre of education and research. From the latter point of view it would no doubt be desirable to secure that the Board of Education, and the general organisation for Research and Information outlined in Chapter IV of this Part of our Report, should be associated with any movement in this direction.

17. We desire in conclusion to draw attention to the action taken by the Board of Education in certain matters of departmental organisation, and in regard to the constitution and procedure of advisory bodies concerned with educational matters, as indicating various directions in which a Department once definitely put in charge of a particular service should find itself enabled to develop with the object of making that service as efficient as possible.

18. We have explained at the beginning of this Chapter that the Board of Education was from the first constituted upon what we regard as the sound principle of concentrating responsibility for a specific service in the hands of a single Department. With its functions thus broadly indicated, with wide powers enabling it to discharge these functions shortly afterwards conferred upon it by the Act of 1902, and with the staffs of the separate central authorities which it replaced brought together under one roof, the Board of Education stood in a favourable position to secure to itself the further prerequisites of good administration upon which we have laid stress in Part I of this Report,* namely, the organised acquisition of facts and information, and the maintenance of close and cordial relations, through advisory bodies, between the Department and the Local Authorities and individuals affected by its activities.

19. The provision made within the Board for the first of these ends is to be found in part in its Intelligence Department, the Directorate of Special Inquiries and Reports. As, however, we have already described, in the Chapter of this part of our Report dealing with Research and Information,† the functions of the Directorate in contributing to the flow of information bearing upon educational matters which is continuously made available to the Board, we need not enter here upon a further description of those functions.

20. It has further resulted from the definite character of the service entrusted to the administration of the Board that it has been able to develop the expert capacity of its Inspectorate so as to obtain through them also a large measure of the knowledge needed as the basis of policy.

Special prominence has long been given in the internal organisation of the Board to the position of the Inspectorate as a body of experts, both men and women, through whom the Board is kept in regular contact with the tendencies of opinion and experiment bearing upon the improvement of administrative

* Part I, paragraphs 12-17, pp. 6-7; paragraphs 34-37, pp. 11-12.

† Chapter IV, paragraphs 7-13, pp. 23-24.

arrangements and methods of teaching, and is enabled to discharge its responsibility for the development of the service of Education throughout the country.

21. By assigning to the Board's Chief Inspector of each of the three great divisions of the educational system which are supervised in detail by the Board (Elementary, Secondary and Technological Education), the duty of keeping in continuous touch with the administrative head of the corresponding divisions of the indoor staff; by providing each of them for this purpose with regular facilities for transacting business at the head office, and for taking part with the head office staff in discussions and interviews on all matters of importance; and by making full recourse (through the Chief Woman Inspector and her staff) to the special knowledge and experience of women in relation to many educational problems, the Board seems to us to have developed the potentialities of its Inspectorate, and a close relation and sharing of responsibilities between the Inspectorate and the indoor staff, in a way which would be likely to be equally productive of good results in the case of other Departments, provided that these Departments had first been definitely entrusted with the supervision of a specific service.

22. Thirdly, in addition to placing special reliance upon its Intelligence Department and its Inspectorate as official channels of information in regard to the service of Education, the Board has had established as part of its organisation two important advisory bodies to which it resorts for counsel and assistance, namely, (a) the Consultative Committee established under section 4 of the Act of 1899 (under which the Board itself was created), and consisting by statute* as to not less than two-thirds of persons qualified to represent the views of Universities and other bodies interested in education; and (b) the Teachers' Registration Council, a body so composed (under statute†) as to be "representative of the teaching profession," and therefore including representatives of teachers in Elementary Schools, in Secondary Schools, and in Universities, and of Technological and Specialist teachers. In addition to performing its statutory duty of forming and keeping a register of teachers, the Council has had before it from the outset, in the words of the Memorandum (Cd. 5726) to which we refer in the footnote to this page, "the larger and more general conception of the *unification of the Teaching Profession*"; and the Board of Education has given practical evidence of sympathy with this aspiration by inviting the Council at various times to consider and report to the Board upon several matters of importance arising in relation to such general educational problems as the revision of Regulations of the Board, the syllabus of examinations, and the matter to be included in the "Suggestions to Teachers" issued by the Board for the assistance of members of the teaching profession.

23. It will be observed that in this Chapter we have been able to discuss a division of the business of Government which is in the main already being dealt with on the principle of the allocation of work according to the nature of the service to be rendered, which we recommend for general adoption.

We have, therefore, in dealing with the service of Education, devoted ourselves to showing in some detail first, with what qualifications it has been found necessary to apply this principle in the case of this service; and, secondly, what substantial advantages may nevertheless be found to flow from the principle if its possibilities are realised by those concerned with the administration of the service entrusted to the supervision of a particular Department.

* See the Board of Education Act, 1899, s. 4.

† See the Education (Administrative Provisions) Act, 1907, s. 16; the Registration Council Order in Council, 1912; and Cd. 5726, p. 42.

CHAPTER IX.

HEALTH.

1. The service which we have to discuss in this Chapter includes all those activities of the central Government which are directed to maintaining or improving the physical well-being of the population at large, or of any particular section of the community.

2. The present position is that no single Department is charged with the superintendence of the most important of these activities, which rests in the hands of a number of separate Departments, each exercising jurisdiction over a portion of the province of health.

3. We are satisfied that the exercise of the functions of the central Government in this sphere could be improved by the further concentration of health services under a Minister of Health, who should be charged with the general surveillance of all matters relating to health of which the Government from time to time takes cognisance.

4. We accordingly proceed to indicate the main services which call for consideration, and the extent of the concentration of these services in a Ministry of Health which we recommend. For the reasons explained in Part I of our Report, our recommendations are based on the assumption that the Ministry of Health, like the Board of Education, would be established to act in England and Wales only, leaving the separate systems already in operation in Scotland and Ireland for separate treatment.

5. *Local Government Board.*—The health services at present administered under the supervision of the Local Government Board fall into two main divisions. The Board is concerned in the first place with the conditions of environment that affect the health of the individual, and, in this capacity, exercises powers in relation to such matters as water supply, drainage, cleansing, and general sanitation, housing and town planning, the prevention of the pollution of rivers, the maintenance of the purity of food and drugs, and the provision of baths and wash-houses. In the second place, the Board exercises to an increasing extent powers which have for their object the conservation of health or the prevention of disease in the individual. In this capacity the Board is concerned with maternity and infant welfare, tuberculosis and venereal disease, with vaccination, and with the provision of hospitals by public authorities.

6. The Board also exercises a number of important functions which are not concerned, or are only indirectly concerned, with the health of the community or the individual, such as the general control of local finance and the audit of local accounts, the provision of public libraries, museums and gymnasia, the administration of the Unemployed Workmen Act, 1905, and a variety of minor duties.

7. The President of the Local Government Board is also responsible to Parliament for the work of the Registrar-General, which includes not only the taking of the decennial census, and the preparation of the reports upon the result of the census, and upon the problems indicated by the figures of birth, marriages and deaths, but also a variety of administrative duties such as the supervision of the work of registrars, the care of the records at Somerset House, and the consideration of questions relating to civil marriages.

8. It seems to be clear that a Minister of Health should exercise all the present functions of the Local Government Board which relate to the health of the people. The powers which primarily affect the environment of the

individual cannot logically be separated from those which affect the individual as such, and they should clearly be kept together as parts of the same service on the principle suggested in Part I of our Report.

9. We think that the relations at present subsisting between the Registrar-General and the Local Government Board should be continued by the Ministry of Health as part of the duties taken over from the Board, but as regards the scientific work of the General Register Office, we think that any provision made for harmonising the preparation of statistics by various Departments, as part of the general organisation for Research and Information which we have outlined in Chapter IV of this part of our Report,* should be devised in such a way as to make the fullest use of the experience and facilities of the General Register Office.

10. We see no reason why the functions of the Local Government Board mentioned in paragraph 6 above should not, at the outset, be transferred to the Ministry of Health with the other powers of the Board; but it will be seen from the recommendations included in the Chapters of this part of our Report dealing with Finance† and Employment‡ that we contemplate the transfer of some of these functions to other Departments, and it would no doubt be desirable to make provision for such a transfer on the establishment of a Ministry of Health.

11. The present functions of the Local Government Board also include the administration of the Poor Law, which is a composite system embracing the care of the destitute in all categories, including sick persons, mothers and infants, lunatics, mental defectives, children of school age, and aged persons, so far as any of these may happen to be destitute; the administration of relief to destitute able-bodied persons, and the administration of outdoor relief. On the principle suggested in Part I of our Report, the establishment of a Ministry of Health designed to superintend the principal health services of the country would make it necessary for the Government to adopt the recommendations of the Report of the Local Government Committee of the Ministry of Reconstruction (Cd. 8917) on the transfer of functions of Poor Law Authorities in England and Wales, so as to assign these various services to the appropriate local and central authorities, and thereby merge such health work as is at present conducted as part of the Poor Law in the general health services of the community. From the point of view both of administration and of public policy we assume that this step would be regarded as an essential element in the constitution of a Ministry of Health on proper lines.

12. *National Health Insurance.*—The second Department which is concerned on a large scale with health services is the National Health Insurance organisation. The four Insurance Commissions and the National Health Insurance Joint Committee, which are comprised under this term, supervise the administration of medical and sanatorium benefits, and of cash benefits, in the form of sickness, disablement and maternity benefits. In England and Wales there were, in the period immediately preceding the outbreak of war, about eleven and a half millions of insured persons; the treatment given to insured persons in England and Wales eligible for medical benefit was (in January, 1917) being provided by over 16,000 doctors, who were under agreement as insurance doctors; and there were, at the same date, over 10,000 chemists who supplied drugs, medicines and appliances under agreement when ordered as part of the treatment.

* See Chapter IV, paragraphs 66-71, pp. 34-35.

† See Chapter I, paragraph 21, p. 21.

‡ See Chapter VI, paragraph 9, p. 45.

13. We think that the whole powers and duties of the English and Welsh Insurance Commissions should be transferred to the Ministry of Health on its establishment. Some adjustment would be required in the position of the Scottish and Irish Insurance Commissions and the National Health Insurance Joint Committee, but the only further point upon which we need dwell in connection with the National Health Insurance organisation is the position of the Medical Research Committee established under section 16 (2) of the National Insurance Act, 1911.

14. The operations of this Committee have never been limited, as would presumably be the case with the new Ministry of Health, to England and Wales, but have extended over the whole United Kingdom. We think that it is essential to make provision for enabling the work to be continued on the same lines, so as to secure the fullest dissemination of its results, and the best use of the limited funds available for it.

15. For these reasons, and on the grounds which are set out in the Chapter of this part of our Report dealing with Research and Information,* we recommend that, on the establishment of the Ministry of Health, the Medical Research Committee should be reconstituted so as to enable it to act under the direction of a Committee of the Privy Council on the lines already followed in the case of the Committee of Council for Scientific and Industrial Research.

16. *Board of Education.*—There is at present a division of duties between the Board of Education and the Local Government Board in relation to maternity and child welfare work. On the establishment of a Ministry of Health there seems no reason to continue this division, and the Ministry would naturally absorb the powers of the Board of Education with respect to attending to maternal health and the health of children who are not of an age to be sent to school.

17. The remaining work of the Board of Education in supervising the medical inspection and treatment of children and young persons is also recognised as proper for transfer to the Ministry of Health at an appropriate time. On this point we may content ourselves with quoting the following statement made by the President of the Board of Education during the proceedings on the Education Bill, 1918 (Official Report, July 1, 1918, column 1,465):—

“Assuming that a Ministry of Health is established hereafter, I think that that Ministry will in due course of time take over or supervise the medical functions now entrusted to the School Medical Service.”

18. As has been indicated in the Chapter of this part of our Report dealing with Education,† we consider that the work of the Board of Education in encouraging the progress and development of medical education by means of its grants in aid to Universities and Medical Schools is properly regarded as part of the service of Education rather than of the service of Health, and should therefore remain in the hands of the Board of Education.

19. *Privy Council.*—The functions of the Privy Council under the Midwives Act, 1902, which include the approval of the rules of the Central Midwives' Board governing the qualifications and conduct of midwives, are clearly proper to a Ministry of Health as the Department to be entrusted with the general supervision of measures conducing to the well-being of mothers and children.

20. The Privy Council also exercises, through the General Medical Council and the Pharmaceutical Society, a measure of control over the qualifications and professional conduct of doctors, dentists and pharmacists, and over the

* Chapter IV, paragraphs 33–44, pp. 28–29.

† Chapter VIII, paragraph 11, p. 55.

sale of poisons. There are obvious advantages in leaving these functions in the hands of a Department which acts throughout the United Kingdom, and is by nature adapted to maintain relations in these matters with all parts of the Empire; and, provided that the Ministry of Health and Board of Education are brought into constant communication with the Privy Council Office in regard to these duties (perhaps by means of a standing inter-departmental committee) it would seem preferable to leave the primary responsibility with the Privy Council as at present.

21. *Ministry of Pensions.*—The work of this Department in making provision for the care of the health of disabled officers and men after they have left the Service has resulted in a wide extension of the activities of the State in providing treatment which is given not only by general practitioners, but in residential institutions, or by specialists in various branches of medicine and surgery. The question whether this important medical service can most advantageously be left to be administered by a separate Department is one which will evidently call for early consideration by the Ministry of Pensions and the Ministry of Health on its establishment. We gather that the matter is one of some difficulty, owing to the close connection between the various branches of the administration of the Ministry of Pensions, and we are not in a position to anticipate the decision which may be arrived at after a detailed examination of the facts.

22. *Home Office.*—It seems clear that the functions of the Secretary of State in supervising the administration of Part I of the Children Act, 1908, which relates to infant life protection, should be transferred to the Ministry of Health together with the other duties of the same nature to which we have already referred.

23. The question of the transfer of the powers of the Secretary of State and the Board of Control under the Lunacy Acts and the Mental Deficiency Act, 1913, will also call for consideration by the Ministry of Health in conjunction with the authorities at present responsible for these services.

24. We have not found it possible to attempt to make specific recommendations in regard to the precise degree of urgency which may attach to the transfer of particular services such as are mentioned above to a Ministry of Health. But we think that a Ministry charged with the general superintendence of matters relating to health should include the majority of these services from the outset, and should take over the remainder as soon as the most pressing problems relating to the reorganisation of local health services have been dealt with, and the Ministry is in a position to assume further responsibilities without detriment to the efficiency of the services now supervised by other central Departments which seem logically to fall within its sphere.

25. There remain a number of other services, in regard to which it may be held with varying degrees of validity, dependent largely upon the direction in which a particular service is developing most rapidly at a particular time, that the promotion of physical well-being is, or is not, the dominant characteristic of the service. This is a question which will call for expert examination from time to time by the Ministry of Health in conjunction with the other Departments concerned.

26. We are only in a position to suggest that in existing circumstances certain services do not seem to us to be proper for inclusion in the sphere of the Ministry of Health, at any rate at the outset.

27. We may mention, as examples, the duties of the Home Office in safeguarding the health of industrial workers, and the new developments

of work in the same field which have taken place under the supervision of the Ministry of Munitions ; the work of the Board of Trade in safeguarding the health of the Mercantile Marine under the Merchant Shipping Acts ; and the duties of the Board of Agriculture and Fisheries in regard to the inspection of milk and food. It will be seen from the Chapter of our Report dealing with Employment* that these duties of the Home Office seem to us to be most appropriate to the Department charged with the general supervision of industrial conditions. The inspection of milk and food is a matter which seems to us necessarily to involve the consideration of the different points of view at present represented by the Board of Agriculture and the Local Government Board, and it will probably be necessary for a Ministry of Health to continue to deal with these matters in conjunction with the Board of Agriculture. Similar provisions should also be made for regular consultation between the Ministry of Health and the Board of Trade on questions affecting the health of the Mercantile Marine.

28. In other cases it is scarcely open to doubt that the promotion of physical well-being is a subordinate, although an indispensable element, in a service primarily devoted to other ends. It would not, for example, be suggested that a Ministry of Health should take over the medical services of the Ministries of Defence (Admiralty, War Office and Air Ministry), or the organisation established by the Ministry of National Service, which has for its primary object the recruiting of the Army ; or the Medical Department by means of which the Postmaster-General attends to the health of his employees.

29. But to say that these subordinate health services should remain separate from the main services of the same kind for which the Ministry of Health would be responsible is not to imply that there should be any want of communication between that Ministry and the Departments concerned with health administration as a sub-division of their main business. On the contrary, we suggest that it should be a most important function of the Ministry of Health to arrange for frequent consultation, and to secure full co-operation in health matters, between its officers, both professional and administrative, and the officers of other Departments engaged in such work as we have mentioned. There is perhaps no province of affairs in which the exchange of suggestions and criticism is more necessary to progress, or productive of more certain results.

30. For these reasons we urge, in conclusion, that the constitution of the Ministry of Health should include definite provision for the appointment of advisory bodies so constituted as to enable the Minister to make frequent reference to them for the purpose of obtaining advice and assistance on matters relating to the health of the people, and themselves entitled to submit representations to him on any such matters which may not have been made the subject of a reference.

31. Among the matters proper for consideration by these bodies we wish particularly to refer to questions in regard to the action proposed to be taken by the Ministry for the proper supervision and development of midwifery services, and in relation to such cognate services as nursing and health visiting.

In such questions it is obvious that the knowledge and experience of women will be of special value, and we are of opinion that this fact should be recognised not only in the composition of the advisory bodies themselves, but in the formation of the staff (both professional and administrative) of

* Chapter VI, paragraph 9, p. 45.

the Department since it is upon the cordial co-operation of his staff with the advisory bodies that the Minister will in large measure depend for the general acceptance of the policy in such matters as these which he proposes to adopt.

NOTE ON CHAPTER IX.

*This Chapter of our Report was already in draft when, on the 7th November, the Government introduced a Bill providing for the concentration of the central administration of Health services in the hands of a Minister of Health for England and Wales, and of a Scottish Board of Health in Scotland. In moving for leave to introduce the Bill the Minister of Reconstruction announced that the Government had adopted the principles recommended in the Report of the Local Government Committee on Transfer of Functions of Poor Law Authorities in England and Wales (Cd. 8917), and intended at the earliest possible moment to take the necessary steps to carry out the complete transfer of Poor Law functions to other bodies on the lines of that Report.**

CHAPTER X.

JUSTICE.

1. If the principle to be adopted in distributing the business of Government is that of concentrating the various branches of each service as far as possible in the hands of a single authority, considerable changes will be requisite in the case of the administration of Justice. No one proposes to interfere with the powers and duties of the Judges. But their appointment and the working out and carrying into operation of their decrees, and the general administration necessary for these latter purposes, form a division of Government as widely scattered as it is large. There is no functionary at present who can properly be called a Minister responsible for the subject of Justice. The responsibility, so far as provided for and so far as England is concerned, is shared between the Lord Chancellor, the Home Secretary, and, in a less degree, the Attorney-General and the Chancellor of the Duchy of Lancaster. Besides these Ministers, there are minor but important judicial or quasi-judicial functions which are increasingly exercised by such Departments as the Local Government Board and the Board of Education. We doubt the desirability of attempting to take out of the hands of Departments specially qualified to deal with them the decision of such questions as whether a closing order should be made under the Housing and Town Planning Act, or whether a Local Education Authority has made adequate provision for the salaries of teachers in non-provided schools. It may well be best to leave certain matters where Parliament has placed them, notwithstanding that in certain aspects they fall within the province of Justice.

2. But as regards the general subject, we think that a strong case is made out for the appointment of a Minister of Justice. We are impressed by the representations made by men of great experience, such as the President of the Incorporated Law Society, as to the difficulty of getting the attention of the Government to legal reform, and as to the want of contact between those who are responsible for the administration of the work of the Commercial Courts and the mercantile community, and by the evidence adduced that the latter

* See the Official Report, House of Commons, 7th November, 1918 (columns 2330-2334), the Ministries of Health Bill, 1918 (Bill 108), and the Memorandum on the Bill (Cd. 9211).

are, in consequence and progressively, withdrawing their disputes from the jurisdiction of these Courts. We are not less impressed with the total inadequacy of the organisation which controls the general administration of the very large staffs, with the voluminous business, required to give effect to the decrees of the Courts of Justice throughout the country. One of the chief reasons for this inadequacy is the magnitude and variety of the duties with which the Lord Chancellor is charged, without really being allowed either the time or the machinery requisite for their performance. It is one thing to hold the position of chief legal adviser to the Government and quite another to possess the powers which a Minister of Justice ought to have.

3. In order to make plain the difficulties of the existing situation, it will be convenient, in the first place, to describe in some detail the nature of the duties cast upon the Lord Chancellor. Successive holders of this office have testified that it is beyond the strength of any one man to perform the work that ought to be done. With the growth of the nation and of its business the volume of the work has expanded.

Its nature is such that, while it includes functions of a judicial, an administrative, and a legislative character, it does not readily lend itself to a rigid classification under these separate heads. We therefore proceed to enumerate the duties of the Lord Chancellor and his Department as they operate in practice, in order to indicate clearly the pressure which at present falls upon the Chancellor personally and upon his staff.

4. The Lord Chancellor is Speaker of the House of Lords. As such, he receives a salary distinct from that which he receives as Lord Chancellor, and is paid from a different Vote. The holding of this office involves his attendance on the Woolsack when the House is engaged in its ordinary sittings as a legislative body.

5. The Chancellor is a member of the Government, and in normal times of the Cabinet. As such, and as the Chief Law Officer of the Ministry, he has to bear a very heavy burden. Membership of the Cabinet involves attendance at Cabinet meetings, which add to the duties of an already over-full day. Membership of the Government involves him in a special responsibility in the House for all Bills in any way touching legal practice or procedure, and a further special responsibility for all other Bills when he is appealed to on points of law or interpretation. The fact that most of the important Departments have their chief, and sometimes all, their Parliamentary representatives in the Lower House, and, as a rule, are without a strong representative in the Upper, throws upon the Chancellor the necessity of taking a substantial share in the proceedings on many Bills or other matters which are not distinctively legal. This in turn throws a heavy burden upon his Secretaries, who have to collect information from the Departments immediately concerned. In many cases the Secretaries must make themselves sufficiently conversant with the subject-matter to extract the material points from the Departments and place them before the Chancellor in such a form that he can appreciate them in the very short time which he has available.

6. The Lord Chancellor may be described as President of the Supreme Appellate Court of Great Britain and Ireland, the House of Lords in its judicial capacity.

The House of Lords sits judicially on four days of the week during a period of the year which corresponds roughly with, but is a little shorter than, the time of the legal sittings of the Supreme Court. During all this time, therefore, the Lord Chancellor on four days of the week is sitting from 10.30

to 3.45 or 4 o'clock, with an interval of half an hour for lunch. The work while it lasts is exceedingly laborious, and it is easy to imagine that on those days on which the House sits as a Court of Appeal from 10.30 to 3.45, and when he has to deal with ordinary Parliamentary business from 4.15 to 7.30 or 8, only a man of very exceptional physical vigour can find either leisure or strength to cope with the many other duties of his high office. Yet it is in the hasty intervals between these sittings that the Lord Chancellor must communicate, and discuss Government measures, with his colleagues, must attend to the extensive patronage which is in his gift, and must exercise a general supervision over the many other matters which lie within his province. The mere enumeration of the number of hours consumed in judicial business, however, does not exhaust the matter, for, especially of recent years, the judgments for the House of Lords have been put into written form. He must write his judgment, read the judgments of his colleagues, and must frequently discuss with them the points of law or matters of fact which arise in the course of the case.

7. The functions of a Judge are necessarily personal to himself, and the Lord Chancellor can obtain little or no help from his officers in these matters, except, and that by no means always, in the purely ministerial work of searching for references or finding books. But the fact that the Lord Chancellor presides over judicial business in the House of Lords gives him, by courtesy at least, a power and influence over the proceedings of the Judicial Office, and special responsibilities in respect of the Standing Orders which govern the judicial proceedings in the House of Lords. The Lord Chancellor exercises no patronage in the Judicial Office, which carries on its work as an integral part of the House of Lords Offices, but the Heads of that Office are in the habit of seeking instructions and advice from the Lord Chancellor in an informal way, while as President of the Court it is the Lord Chancellor's duty to determine what causes should be placed in the list and to see that an adequate Court is present to hear them.

8. The actual work of arranging for the attendance of Peers for this purpose is performed, under the close supervision of the Chancellor, by his Permanent Secretary. This might seem a routine matter, but in practice it is important and difficult, and occupies much time and thought.

9. The Lord Chancellor also sits, whenever he is able, in the Judicial Committee of the Privy Council as President of that Court. When he is not sitting he bears a responsibility for the proceedings of that Court and exercises supervision over it. He is regarded both by himself and others as responsible for seeing that the work is done; as the Peers sit either at the House of Lords or on the Judicial Committee in accordance with his requests, he is, in fact, responsible for the constitution of the Court, and the appointment to be Privy Councillors of those who are not Peers, and who are considered to be suitable members of the Committee, is largely dependent upon his advice.

10. The Chancellor is by origin a judge of first instance and by statute a member of the Court of Appeal. In practice these offices do not often impose any work upon him, but in emergencies they do.

11. The Chancellor is by statute head of the Chancery Division of the High Court of Justice and President of the Supreme Court. The former of these offices implies little more than a titular supremacy, together with the performance of certain not very onerous duties. The Lord Chancellor's consent is required to the temporary transfer of a Judge from the Chancery Division

to some other Division of the High Court or vice versa ; of causes from one Chancery Judge to another Judge of that Division, or to or from that Division, and the hearing of summonses on these latter matters on the very rare occasions when the transfer is not made by consent. None of these duties imposes any material amount of work upon the office.

But the duties of the President of the Supreme Court, with the numerous functions attached thereto, are exceedingly onerous, difficult and responsible, and all the more so because some of them are undefined and indefinable. It is upon the recommendations of the Lord Chancellor that all the Judges of the Supreme Court—though technically not those of the Court of Appeal—are appointed by the King, a patronage the exercise of which is one of great anxiety, and which requires that the Lord Chancellor should be in constant touch with the Bar.

12. All the other appointments to Masterships and Clerkships in the Courts (except the Masters on the King's Bench side, the officers of the Probate and Admiralty Registries, the Clerks in the Office of the Masters in Lunacy, and the personal clerks of the Lords Justices and Judges), and all the promotions in the Courts outside the Probate and Admiralty Registries, are made by the Lord Chancellor, and over the whole work of the Courts and all the operations of all these officials he exercises a control, the extent of which, in the case of the Judges, is not explicit, and in the case of the other officials depends largely upon the personal characteristics of the Lord Chancellor and his Permanent Secretary. It must be remembered in this connection that an English Judge is in a singularly independent position, uncontrolled and to a large extent uncontrollable, and only removable from his office by an exceptional procedure which has never been resorted to in modern times. Even the Masters, especially those on the King's Bench side, are minor Judges exercising a discretion which is only controllable on appeal. These facts, and the fact that the High Court of Justice, as we know it, is the result of an amalgamation, effected by statute, of different and independent Courts, makes the consideration of the structure of the administration of Justice a most difficult and delicate one. It also makes the actual work of administration extremely complex. Until recently the Clerks in the Courts were not in any sense amenable to the ordinary rules of the Civil Service with regard to conduct, attendance, holidays, or dismissal or removal. Even now they remain only partially so amenable. Apart from the personal work which has to be done by the Lord Chancellor or his officers in connection with these matters, the whole of what in an ordinary office would be called the "Establishment" part of the work is and always has been performed by the Lord Chancellor's Permanent Secretary, practically unassisted, and he has constantly to turn from the consideration of the drafting of a Bill, or some point of policy arising upon it, to debate with the Treasury a question of detail as to the pay or retirement of a subordinate officer. The amount of work involved, though it would not be considered great in a large and highly organised office, is overwhelming under the present constitution of the Lord Chancellor's Department.

Its nature and extent are more precisely indicated in *Note A* appended to this Chapter (see p. 78 below), which contains a description of the arrangement of the Offices of the Royal Courts of Justice.

13. Mention must also be made of the extensive powers of the Lord Chancellor as a rule-making authority. The procedure in the High Court is regulated by rules of the Supreme Court, made, under the authority conferred by the

Judicature Acts, by the Rule Committee of the Supreme Court. The Lord Chancellor of the day is Chairman of this Committee, which comprises also the Lord Chief Justice, the Master of the Rolls, the President of the Probate, Divorce, and Admiralty Division, four other Judges of the Supreme Court, two barristers, being members of the General Council of the Bar, and two Solicitors, one a member of the Council of the Law Society, and the other a member of the Law Society and also of the Provincial Law Society. The members, other than the ex-officio members, are appointed by the Lord Chancellor. The general body of rules was made long ago. They are comprised in 72 Orders, each divided into many rules. These Orders and Rules, and the comments upon them, occupy 1,362 closely-printed pages in the book called "The Annual Practice," which is in common use in the profession. The rules are constantly added to and amended in small particulars.

It must not be supposed that the Rules deal with unimportant matters. In many respects they have a far-reaching effect upon the rights of His Majesty's subjects. The Lord Chancellor is concerned with the Rules both as Chairman of the Committee, and because his Secretary is Secretary to the Committee, and the staff of his office is the only staff available for the work of the Committee, so that all proposals for revision and all complaints of the working of the Rules come to the Lord Chancellor through his Secretary.

14. In addition, however, to these permanent Rules, the legislation passed since August, 1914, in connection with the war has placed upon the shoulders of the Lord Chancellor a further burden of rule-making: He makes rules, either alone or together with the other members of the Rule Committee, under the various Courts Emergency Powers Acts, the Increase of Rent and Mortgage Interest (War Restrictions) Act, the Trading with the Enemy Acts and Proclamations, the Defence of the Realm (Acquisition of Land) Act, the Billeting of Civilians Act, and the Legal Proceedings against Enemies Act. Further, under the Indictments Act, passed since the beginning of the war, though it is not a war measure, the Lord Chancellor's approval is required to the rules made by the Committee set up under that Act. His approval is also required to the rules made under the Grand Juries Act. In all these cases the work falling upon the Lord Chancellor is something more than formal. He has also authority, conjointly with the Treasury, and in some cases with the consent of certain Judges of the Supreme Court, for the making of Orders and Rules as to the fees to be taken on proceedings in the High Court. He has, further, the duty of approving rules made under the County Courts Act and the Workmen's Compensation Act by the County Courts Rule Committee, a small body of County Court Judges appointed by the Lord Chancellor, to which his Permanent Secretary acts as Secretary.

15. The Lord Chancellor is responsible for the County Court system of the country. There are 55 County Court Judges and 600 Courts. All the Judges are appointed by the Lord Chancellor alone, and are removable by him. The Registrars, who are themselves minor Judges, besides being responsible for the finance of their Courts, are appointed by these Judges, subject to the approval of the Lord Chancellor, and are removable by the latter. The Courts vary greatly in size and importance; the method of remuneration of the Registrars varies according to the size of the Court; the clerks are technically the servants of the Registrars and not servants of the State. It will readily be understood that the administrative work connected with the appointment of so many Judges, their conduct when appointed, and the innumerable complaints which arise in the course of administration, constitute a gigantic task.

We have ventured to indicate in *Note B* appended to this Chapter (see p. 78 below) the apparent incompatibility of the County Court system with present-day requirements, for, if the improvement of the system were held by the Government to be important and urgent, an essential preliminary to the attainment of this end seems to us to be a readjustment of the duties of the Lord Chancellor's Department.

16. While the Lord Chancellor remains responsible, as stated above, the administration of the County Courts falls very largely within the purview of the Treasury. The Superintendent of County Courts and the Registrar of the County Court Department are Treasury officials. The amount of the fees to be taken in the Courts is fixed by the Treasury, with the concurrence of the Lord Chancellor, and the County Courts themselves are looked upon as a source of revenue, a function which since the beginning of the war they have failed to fulfil. It follows that there is a divided authority over the administration of the Courts. The work of audit, which is carried on by the Treasury, and the control which the Treasury exercises over the amount allowed in the larger Courts for clerk hire, has, in the natural course of events, given the Treasury all but complete control over many other matters. It is unnecessary to refer at length to the difficulties which are bound to arise under such a system ; but it is important to observe that they absorb a disproportionate amount of the time and attention of the Lord Chancellor and his staff. We think that these arrangements require reconsideration.

17. Comparatively recent statutes have placed under the Lord Chancellor's control the Land Registry. This is not the place to discuss the probable future developments of the system of registration of title to land. It suffices to say that the present Land Registry, whatever the success of the system may be, is conducted quietly and efficiently, and, on its administrative side, imposes but little labour on the Lord Chancellor or his officers. If, as seems inevitable, the interest in this subject should revive after the war, it would fall to the lot of the Lord Chancellor to prepare legislation dealing with the matter, a task which would entirely absorb his activities and those of his officers.

18. The Public Trustee Act, 1907, placed under the Lord Chancellor's control the then newly-constituted office of the Public Trustee. Here again very considerable problems will arise for consideration after the war. From the point of view of the Lord Chancellor and his officers the question of moment is the enormous labour which the creation of this office imposes upon them on the "Establishment" side.

19. Notwithstanding the passing of the Mental Deficiency Act, 1913, the Lord Chancellor still retains duties in relation to lunatics. His judicial powers in this matter have in effect passed away since legal proceedings for the administration of the estates of lunatics were instituted. The duty of inquiring into the sanity of alleged lunatics (in the very rare cases in which a formal inquisition into the matter is now taken), and the power of making orders in the case of certain persons who are lunatics, but not so found by inquisition, has become a matter dealt with by regular Judges, that is, the Masters in Lunacy or, on appeal, the Lords Justices. Similarly, the Commissioners in Lunacy, who were the Lord Chancellor's officers, have been absorbed into the Board of Control. The Masters are, however, appointed by the Lord Chancellor, the Visitors are the Lord Chancellor's Visitors, and a certain proportion of the members of the Board of Control are appointed by him ; while he retains, and sometimes exercises, power to give instructions to the Visitors and to the Board of Control.

to inquire formally or informally into cases specially brought to his knowledge. Further, as every lunatic has a right to write to the Lord Chancellor, and very many lunatics exercise this right—some of them many times a day—the complaints of lunatics are constantly brought before the Lord Chancellor, and the time of his officials is very largely occupied in reading these letters, with a view to satisfying themselves that they do not in isolated instances suggest that the writer may be submitting a justifiable complaint.

20. There is vested in the Lord Chancellor the sole power of appointing Justices of the Peace throughout England—outside the Duchy of Lancaster—Wales, and Scotland. In 1909 a Royal Commission, presided over by Lord James of Hereford, was appointed to consider whether any, and if so what, steps should be taken to facilitate the selection of the most suitable persons as Justices of the Peace, irrespective of creed and political opinion. Until that time Justices had been appointed usually upon the recommendation of the Lords Lieutenants, and it was notorious that the system was not a satisfactory one. To avoid the evils complained of, the Commission, which reported in 1911, recommended that the Lord Chancellor should nominate within each county one or more small representative Committees to inform and advise the Lord Chancellor and the Lords Lieutenants as to the persons to be selected as members of the Committees, and that the practice and procedure of the Committees should be left to the discretion of the Lord Chancellor. There are in England—outside Lancashire—and Wales 62 Counties or quasi-Counties, and 222 Boroughs having separate Commissions of the Peace, and in Scotland 37 Counties, including Counties of Cities, having separate Commissions of the Peace. The work of setting up Advisory Committees for all these places was taken in hand shortly after the Commission had reported, and has proceeded ever since. It is exceedingly laborious and delicate, and has not yet been fully completed. The work is done by the Secretary of Commissions under the direct supervision of the Lord Chancellor himself, without the intervention of the Permanent Secretary. In practice, however, difficult points, when they arise, are sometimes discussed by the Lord Chancellor with his principal adviser. When a Committee has been established, it recommends to the Lord Chancellor, through the Lord Lieutenant in the case of a county committee, the names of the persons thought suitable for appointment as Justices of the Peace. In dealing with these recommendations, again, great labour and some tact is required, and the Lord Chancellor is often very fully occupied by questions of this nature, which, as in the case of most personal questions, absorb a disproportionate amount of the time of himself and his officials. Stipendiary Justices of the Peace are appointed by the Home Secretary, and complaints against either kind of Justices are apt to be sent indiscriminately either to the Lord Chancellor or to the Secretary of State.

21. The Lord Chancellor is patron of 12 canonries and 659 benefices, in addition to all those benefices below a certain value at a certain date which lapse to the Crown by reason of the appointment of their holders to certain ecclesiastical offices in the gift of the Crown, the failure of the patron to appoint within a specified time, or the incapacity of the patron. The remainder of the Crown patronage in respect of benefices rests with the Prime Minister, who disposes of all benefices which in a certain year of Henry VIII were of the value of £20 or more as stated in the King's Book, those below that figure at that date falling to the Lord Chancellor. The work of appointment to these benefices is dealt with by an officer who is usually called the Secretary for Presentations. That office has been abolished by statute, but by the custom of the Lord

Chancellor's Department one of the Lord Chancellor's Private Secretaries fulfils the duties of the office without the supervision of the Permanent Secretary. This matter would fully occupy the time of this official if he had not other duties to perform. The presentations are made on an average one a week throughout the year, and almost every presentation involves the interviewing of numerous candidates and much correspondence, while it also makes serious inroads upon the time of the Lord Chancellor himself. As patron, the Lord Chancellor is also concerned with certain matters relating to the property of the benefices. These are not very numerous or important, but they require legal knowledge. They are dealt with as appertaining to the permanent office. Naturally, if any such difficulty arises in connection with any part of the ecclesiastical jurisdiction of the Lord Chancellor, the office at large, as distinct from the Private Secretary already mentioned, is ready to afford such assistance as the Lord Chancellor may require.

22. It will be obvious that the extent and variety of the duties thus assigned to the Lord Chancellor, which we have endeavoured to describe as briefly as possible, must make it impracticable for him to exercise a close personal supervision over the details of the work involved. He has to assist him, in the responsible and sometimes delicate tasks which he must perform by delegation, a very small staff under the control of the Permanent Secretary to the Lord Chancellor's Department, who is its principal officer.

23. From the nature of the responsibilities which the Lord Chancellor bears, but for physical reasons cannot to a great extent discharge in his own person, the duties of the Permanent Secretary bring him into peculiarly close relations with his Minister, and require for their proper performance an unusual degree of ability, energy and tact.

24. The office of the Permanent Secretary is a very recent creation. Up to 1885 the Lord Chancellor was assisted by a Principal Secretary, and by certain other Secretaries with assigned duties. These officials were personal to the Lord Chancellor of the day, and went in and out of office with him. When the Lord Chancellor went out, his Secretaries destroyed or took with them any official records which they had kept, presumably on the ground that they were too confidential to be entrusted to the Secretaries about to enter upon office. Sometimes a new Secretary was allowed by his predecessor to have access to certain of the documents which still existed. We dwell upon this point because this custom has materially affected the history and organisation of the Department.

25. In course of time several of the Secretaries of the Lord Chancellor (the Secretary of Bankrupts and Secretary of Lunatics) were abolished, but there remain (besides the Principal Secretary, who has now become the Permanent Secretary), the Secretary of Commissions, and the Secretary for Presentations. These officers still (nominally at least) go in and out of office with the Lord Chancellor. But in practice it has been usual to combine each of the offices with some other. Thus the House of Lords has placed at the disposal of the Lord Chancellor the patronage in the office of Deputy Sergeant-at-Arms, in order that it may be held with one or other of the Lord Chancellor's Secretaryships; and for many years (though not at present) the other Secretaryship has been held by the gentlemen holding the office of Deputy Clerk of the Crown, or by one of the Clerks of the House of Lords. The tradition of regarding the office records as the personal property of the Lord Chancellor of the day, which has disappeared in the permanent office since 1885, continued in these two offices until quite recently. The reason for the continuance of the practice

was that the subject-matter dealt with by the Secretaries of Commissions and Presentations (the creations of Justices of the Peace, and the appointments to the Lord Chancellor's livings) was looked upon as patronage personal to the Lord Chancellor of the day, and it was probably thought that a succeeding Lord Chancellor might feel embarrassed by a detailed knowledge of the proceedings of his predecessor.

26. This small establishment of Secretaries, who are assisted by a clerical staff perhaps more than correspondingly small, was first set up in 1885 as the result of an amalgamation of the Lord Chancellor's Department, as then constituted, and the Crown Office. In fact, this amalgamation was completed, but it was accomplished merely by appointing the then holder of the office of Principal Secretary to the Lord Chancellor to the office of Clerk of the Crown. In theory, the two offices are distinct, and their permanent heads—the Permanent Secretary and the Clerk of the Crown—are appointed, respectively, by the Lord Chancellor, and by the King on the recommendation of the Prime Minister. The continuance of the present arrangement depends upon these two Ministers agreeing to select the same person for the two offices.

27. The Crown Office in Chancery is of immemorial antiquity, and the status of the Clerk of the Crown is still such as to furnish indications, the precise extent of which may be open to dispute, of the high position held by him, in the words of an ancient instrument, as "an immediate officer to the King, by whose authority he is supposed to attend the Great Seal for expediting the services of the Crown and State."

28. The functions of the Clerk of the Crown and the Crown Office at the present day are confined to :—

- (a) The sealing and issuing of documents prepared on instructions received from the Lord Chancellor's Department or other Department of State. The form of these documents is in almost every case directed by law or well settled in practice. When a new point arises it is difficult to be sure whether it is settled by the Clerk of the Crown or by the Permanent Secretary. But any such point, when it does arise, is difficult and requires elaborate research. The routine work of preparing the documents for issue involves much clerical labour, unfailing accuracy, some knowledge of the law, and a thorough knowledge of the precedents.
- (b) The issue of Writs for the election of Members of Parliament and the certification to the House of Commons of the returns of these Writs. When Parliament is in Session, this matter gives little trouble, except that either the Clerk of the Crown or his deputy has to attend in the House of Commons to give a receipt for the Speaker's direction for the issue of the Writ. On the occasion of a General Election the duties involve very heavy work and very heavy responsibility.
- (c) There are also certain ceremonial duties, the swearing in of the Lord Chancellor, the Lords Justices, and the Judges of the Supreme Court, and of the King's Counsel, and the recital of the names of the Acts of Parliament upon the occasion of the giving of the Royal Assent.

These duties may seem too trivial to mention. But as they have to be

performed by the Clerk of the Crown in person (or by his deputy when he is absent) they take up a considerable portion in the aggregate of the time of the small higher staff of the office.

29. The functions of the Lord Chancellor and his Department seem clearly to admit of a redistribution which should have as its objects the relief of the Lord Chancellor from responsibilities which are at present too heavy to leave it possible for him to discharge them effectively; and the further concentration in one Department of some of the administrative functions connected with the operation of the Courts, and in the hands of one Minister of some of the patronage now widely dispersed, and sometimes entrusted to high officers of State not responsible to Parliament.

30. With these objects in view we have formulated the following proposals, which would have the effect of apportioning the functions of the central Government in relation to Justice broadly between the Lord Chancellor's Department and the Department of the Secretary of State for Home Affairs, who is already closely concerned with numerous matters in this sphere. The Lord Chancellor would, under such a scheme, be substantially relieved from the extreme pressure now falling upon him.

31. If the House of Lords is converted into a new form of Second Chamber it seems probable that its judicial functions will cease. They would revert naturally to the Sovereign in a Committee of Council consisting of Judges who would be Privy Councillors. In other words, these functions would be absorbed by a body akin to the present Judicial Committee of the Privy Council, which would be the Supreme Tribunal, not only for the Empire outside the United Kingdom, but for England, Scotland and Ireland as well. Instead of Appeals from the United Kingdom lying, as at present, to the Sovereign in his High Court of Parliament, they would lie, with those of the entire Empire, to the Sovereign in Council. The Judicial Committee of the Privy Council would sit in as many divisions as were required, and these divisions would have their appropriate procedure and forms of judgment, which might vary, and would not necessarily follow those at present in use. It would probably be found desirable to disturb the existing procedure in cases from the Dominions as little as possible unless the Dominions desired a change.

32. We think that it is desirable to retain, with considerable modifications which we proceed to describe, the position of the Lord Chancellor as in theory President of the Supreme Tribunals, but essentially as a great Officer of State with high responsibility. We have reasons for this conclusion which are not based on sentiment, but even on this ground it should not be forgotten that the office of Lord Chancellor is one deeply rooted in the traditions of the nation. The Lord Chancellor is the oldest in standing of the Ministers of the Crown. He has kept the Great Seal ever since there was a Great Seal to keep. He has, until quite recently, been a member of the Cabinet ever since there was a Cabinet, and he has combined the functions of the principal legal and constitutional adviser of the Crown with those of the Head of the Judiciary. That this should have been possible is in itself a fact of significance. Everyone will give such weight to it as his own habit of mind suggests, and no more can be said than that to uproot an institution so deeply planted in the traditional soil of the nation as is the position of the Lord Chancellor is a step which would require careful weighing of consequences.

33. But quite apart from these considerations, which depend in part on sentiment, there are others of a different kind. The Cabinet ought to have in a prominent position a legal and constitutional adviser of the highest standing.

The importance of the Lord Chancellor in the Cabinet has declined for various reasons which are external to the office. The real keeper of the King's conscience is now the Prime Minister, a Minister with greater and more commanding powers than in days when the Sovereign had greater influence in the selection of Ministers. The Lord Chancellor is, moreover, loaded to-day with a volume of appellate business which has progressed concurrently with the increase of his administrative work, and is independent of the period of the year during which he has to sit as Speaker of the House of Lords. He and his too small staff are in large measure cut off from contact with the work and personalities of other Departments. As the result, he is snatched, often at short notice, from pressing judicial business, to participate in deliberations on matters in which he has not received papers, and is not likely to have had time to read them even if he had received them.

34. Yet it seems to be of high importance that the Cabinet should have an adviser of the type of which the Lord Chancellor would be, provided that he had the opportunity and the leisure to investigate beforehand the matters on which he would have to advise in council.

35. We think that he should, in the first place, be freed from the duty of daily or even frequent judicial sitting. There are cases which come before the Supreme Tribunals in which it is of much importance that the Judges should have that familiarity with constitutional usage which can never be acquired so well as in the school of long experience in Parliament. In appeals from the Dominions touching delicate questions in their constitutions this is peculiarly true; and for this and other reasons we do not think that the Lord Chancellor should be divorced wholly from the duty of presiding over the Supreme Tribunals although it is obvious that his time should not be absorbed by ordinary cases.

36. Should a reconstituted Second Chamber be established, it will probably wish to select its own Speaker, instead of having an ex-officio Speaker nominated by the Crown, as is the Lord Chancellor to-day. In any event, we think it impossible that the Lord Chancellor should adequately perform his duties as we conceive them, and at the same time remain Speaker of the Second Chamber.

37. The changes which we propose are such as would leave him free to fulfil adequately certain important functions which are his now, and also to perform other duties cognate to them. We think that it is important that the appointment of the Judges of the people of England should, as at present, be made by a Minister who is in large measure kept free from much pressure by individual members of Parliament, and even by his colleagues, in the matter of these appointments. To strengthen his hands we are of opinion that he should consult, before making any such appointment, a Committee which should include the Prime Minister, the Minister who will, in accordance with suggestions which we shall make presently, be the Minister of Justice, the Lord Chancellor or Lord Chancellors who have preceded him, and the Lord Chief Justice. The Lord Chancellor should have the full responsibility for these appointments, and be free to act on his own opinion. But he should not act in making the appointments without previously consulting this Committee. The appointments so made should include, not only, as at present, those of the puisne Judges, but those of the Court of Appeal and even those of the Supreme Tribunal of the Empire. They should further include the County Court Judges in England, the Recorders, the Stipendiary Magistrates, and the Masters of the Supreme Court of Judicature. In this way the appointments of Judges

would, in our opinion, be most completely removed from any suggestion of political influence.

38. The Lord Chancellor would remain keeper of the Great Seal, the principal legal and constitutional adviser of the Cabinet, and a Minister with sufficient time to watch and master all questions relating to legislation. For this purpose he should take the place of the Treasury as the channel of communication between Departments desirous of initiating legislation and the Parliamentary Counsel Office. He should have arrangements, and an establishment, which should bring him more easily than at present into close relation with the Attorney and Solicitor-General in giving advice on legal questions; and he should stand in close relation to the Judge Advocate-Generals of the Navy and Army, who should be subject to his supervision in important questions. It is a matter for careful consideration whether these judicial functionaries should not have their offices combined in that of a single additional Law Officer of the Crown. We think that this may prove both practicable and desirable. The question is understood to have been under consideration prior to the war.

39. As to ecclesiastical patronage, the Lord Chancellor, and the Prime Minister also, might well desire to be relieved of difficulties in making minor appointments by the assistance of a carefully selected body established to give advice on the subject.

40. But we think that in order to make it possible for the Lord Chancellor to perform these duties adequately, it is essential that the general work of administration in connection with Justice in other matters should pass to a regular Minister of Justice. There seems to be no reason why the Home Secretary should not become this Minister, and be relieved of functions pertaining to other national services, such as those concerned with health and with production in Mines and Factories. He ought to retain, in addition, the duties which belong to him now as regards the prerogative of mercy, and matters relating to the administration of prisons, and the Metropolitan Police, as well as communications with the Sovereign and other subjects to which reference is made below. The administration of the concerns of the mentally deficient seems properly to belong not to his office, but rather to that of the Minister of Health. He should be the Minister generally charged with the administration of services connected with Justice, subject to the exceptions made in favour of the Lord Chancellor's Department.

41. The Lord Chancellor's staff need not be a large one. But it should include what is requisite to enable him to keep himself closely informed on all matters necessary to enable him to act as the principal legal adviser of the Government. His work would be in close and frequent relation with that of the Minister of Justice, and goodwill and forbearance would be essential for the prevention of friction. But these two great Ministers ought to be able to work closely together, and we see no reason why this should be difficult. Their staffs should be in frequent consultation.

42. The Minister of Justice would probably sit in the House of Commons and he ought to be accessible to those who have suggestions to make. Besides his administration of the staffs of the various Courts in England, his Department should contain experts charged with the duty of watching over the necessities of law reform, and of studying the development of the subject at home and abroad.

43. It has been suggested above that the Home Secretary should be entrusted with the functions relating to the administration of Justice of which we recommend that the Lord Chancellor should be relieved. The Home Office

already exercises a number of functions of this nature, but its jurisdiction extends also over a variety of other subjects, and before proposing that it should assume additional functions, we carefully considered how far the application of the principles explained in our Report indicated that its present functions were susceptible to any re-distribution.

44. These functions may be enumerated in five groups, based upon the normal division of duties adopted by the Home Office itself. They are in the main connected with the administration of Justice, the prevention of crime, the maintenance of public order and of public safety ; but a large number of miscellaneous subjects also fall within the sphere of the Home Office, including particularly those which bear upon the Home Secretary's constitutional position as the means of communication between the Sovereign and the people.

45. The first group includes the functions exercised by the Home Secretary in relation to factories and workshops, the Workmen's Compensation Acts, Truck, Shops, and other industrial questions. For the reasons explained more fully in the Chapter of this part of our Report which relates to Employment as a division of Government, we regard these functions as proper for transfer to the Department entrusted with the primary responsibility for the central administration of the service of Employment.

46. The second group includes functions in relation to Naturalisation and Nationality and the Aliens Acts, which should no doubt be retained by the Secretary of State ; and functions under the Licensing Acts in regard to which we see no reason, as at present advised, to recommend any transfer of responsibility. We recognise that any substantial modification in the present relations between the State and the Liquor Traffic may make it desirable to entrust the duties thereupon arising to a separate Department. It appears, however, that full consideration would be required of the question whether, even in that event, such functions of the Home Office under the Licensing Acts as are closely connected with the general question of public order should not be retained by the Secretary of State.

47. The third group includes the supervision of the following matters :—

Prerogative of Mercy.

Extradition.

Prisons and Prisoners:

Probation Orders (except in cases of persons under 16).

Criminal Lunatics and Criminal Lunatic Asylums.

Police, County and Borough (except Superannuation).

Disturbances and Riots.

Coroners.

Production of Prisoners.

Commissions Rogatoires.

Appointment, Salaries and Fees of Justices' Clerks and Clerks of the Peace.

Other matters relating to the administration of Criminal Justice.

This work is evidently proper to the Department primarily responsible for supervision the administration of Justice.

48. The same principle applies to the exercise of functions in relation to the following matters comprised in the fourth group :—

Children's Courts.

Probation Officers.

Children, Probation.

White Slave Traffic.
Obscene Publications.

The wide jurisdiction of the Home Secretary appears to us to cover more suitably than that of any other Minister the exercise of functions in relation to the following miscellaneous matters included in the fifth group :—

Burials and Cremations.
Vivisection and Anatomy.
Merchant Shipping.
Fairs.
Honours and Creations.
Medals, including Police Medals.
Addresses.
Appointments.
Title Royal.
Civil Petitions.
Commissions.
Exequators.
Metropolitan Police (Administration, Finance, and Superannuation).
Metropolitan Police Courts.
Wild Birds.
Channel Islands and Isle of Man.

49. There are certain matters at present falling within the fourth and fifth groups of the duties of the Home Office which are not enumerated above, and in regard to which we think that further enquiry might advantageously be instituted with a view to ascertaining whether the present allocation of responsibility between central Departments should be modified.

50. The first of these matters is the administration of portions of the Children Act, 1908. Part I of this Act has for its object the protection of infant life, and is administered locally (except in London, where the County Council and the Common Council of the City are the authorities) by the Guardians of the Poor Law Union. We think that the objects of this part of the Act are so closely connected with the general question of infant welfare that they should be administered by a Ministry of Health at the centre, and in the locality by the bodies to which the other health powers of the Guardians of the Poor may be transferred under any scheme of reform.

51. Part IV of the Act deals with Reformatory and Industrial Schools, and the view which is taken of the primary purpose of this branch of administration may elicit different answers to the question whether the responsibility for central administration in regard to these schools should remain with the Secretary of State or should be transferred to the Board of Education, the latter course still leaving open the further question whether the responsibilities not falling to the central authority should be transferred to the Local Education Authority.

52. We are not in a position to make any authoritative pronouncement in a matter which has in the past been frequently discussed, but we are sensible that arguments of considerable weight can be adduced against any proposal for a transfer of responsibility, based mainly upon the possibility of difficulties arising in regard to the religious instruction of the inmates of the schools, and upon the criminal tendencies of some of those committed to the schools, who

may properly be regarded as suitable for supervision by the Home Office as the Department mainly responsible for public order.

53. The question of the exercise of the powers of central authorities to regulate the employment of children is, we understand, already under discussion between the Home Office and the Board of Education. Whatever arrangements may be entered into in regard to the primary responsibility for this work will, no doubt, need to be supplemented by a regular system for the interchange of information between the Education authority and the authority responsible for the inspection of the industrial establishments in which children come to be employed.

54. There appears, again, to be a dual interest in the question of the regulation of entertainments. The maintenance of public order in places of amusement should, of course, rest with the authority primarily responsible for public order in general. But the regulation of places of entertainment in the interests of health and safety would, if effect were given to our proposals, be transferred to the Department primarily responsible for the regulation of Employment, as part of the service over which that Department was exercising a general supervision.

55. The application of the same principle would indicate that the special control now exercised by the Home Office over the conditions of employment in the manufacture and storage of petroleum and explosives should also be vested in the Department primarily responsible for the inspection of industrial establishments.

56. The functions of the Home Office in regard to the regulation of street traffic and of the use of aircraft (the latter a question which may assume entirely new proportions after the war), should no doubt be retained by that Department in so far as they call for action by the Police authorities. We mention them specially for the purpose of indicating that any substantial alteration in the functions of the central Government with regard to the means of transport generally, and the fact of the establishment of an Air Council "for the purpose of the administration of matters relating to . . . the defence of the realm by air,"* may render it necessary to reconsider the present responsibilities of central Departments in these spheres.

57. The responsibility for the detention and control of criminal lunatics and of criminal mental defectives should, no doubt, remain with the Department primarily responsible for the administration of Justice, but we suggest that the responsibility for all lunatics other than criminal lunatics, for all asylums other than criminal lunatic asylums, and for the Board of Control, at present resting with the Home Secretary, should in due course be transferred to a Minister of Health, and that the control of Inebriate Reformatories should be vested in the same authority.

58. There is one important class of questions, at present dealt with in the main by the Local Government Board, which seems to us to be proper for transfer to the Department responsible for the administration of Justice. We refer to the questions which may be broadly classified as those which affect the legal status of the citizen, such as registration, the constitution of electoral bodies, the conduct of elections; questions in regard to the status of local representatives and the relations between the Councils of Local Government bodies and their several Committees; and the important group of problems relating to the areas which should be established for particular local services,

* Air Force (Constitution) Act, 1917, s. 8 (1).

such as education, health, police, or the transmission of power, as well as the general question of the extension of borough areas within counties.

59. If, in accordance with our recommendations, the Local Government Board becomes merged in a Ministry of Health, we think that objections will legitimately be felt to entrusting a general jurisdiction in regard to local areas and powers to any Department primarily concerned with the development of a single specific service.

60. The Ministry concerned with Justice should be in a better position to scrutinise all such matters with impartiality, and to exercise its jurisdiction in such a way as to command public confidence. But it will, of course, be necessary for the Ministry to work in the closest consultation with the Departments in charge of the particular services (such as Production or Health) to which the various proposals as to local areas and powers relate.

NOTES ON CHAPTER IX.

Note A. The Offices of the Royal Courts of Justice.

Note B. The County Court System.

Note A.

The offices of the Royal Courts of Justice are divided into Departments as follows:—Central Office, Taxing Office, Chancery Chambers, Registrars' Office, Chancery Division, Bankruptcy Department and Companies Winding Up, Offices of the Masters in Lunacy, and the Offices of the Visitors in Lunacy, and the Registrars' Office of the Court of Criminal Appeal.

The Central Office, while it does work in some sense for several of the Departments, is under the supervision of the King's Bench Masters, of whom there are seven, with two Assistant Masters. These gentlemen may be either barristers or solicitors, but are, in fact, barristers selected from the Common Law side.

The Taxing Office comprises an establishment of eleven Masters, who are all Solicitors.

In addition to the Departments already mentioned, there are in the Courts:—

- (a) a large staff of Ushers in attendance, under a Superintendent who is directly responsible to the Permanent Secretary; and
- (b) a Scrivenery Department, which is responsible to the Permanent Secretary through a Committee of Masters, assisted by one of the Clerks of the Central Office acting as Superintendent, and is staffed by men who are paid by piece-work.

Note B.

The division of England into County Court districts was effected very many years ago, by reference mainly to the means of communication then existing. Small changes have been effected from time to time, but there still remain places from which population and business has long ago moved, but which retain their Courts, and numerous other places where a new population and new business has not resulted in the creation of a County Court; while the Courts generally remain as they were before the introduction of railways had entirely altered the main arteries in which the population flows. The time has long been ripe for a complete geographical redistribution. But any

proposals for such a redistribution would create difficulties too great to be removed in the time which any Lord Chancellor, assisted by so small a staff as at present, can possibly devote to the subject.

We desire, before signing our names to this Report, to place on record our strong sense of obligation to our Secretary, Mr. Heseltine, for the great assistance which he has rendered to us throughout our undertaking. He has brought full knowledge of detail to bear upon its execution, and he has displayed conspicuous tact and capacity, both in collecting materials for us, and in recording the outcome of our deliberations during the entire period of our sittings, extending over the interval between July, 1917, when we first assembled, and December, 1918.

We are,

Sir,

Your obedient servants,

HALDANE OF CLOAN.

EDWIN S. MONTAGU.*

ROBERT L. MORANT.

G. H. MURRAY.†

ALAN SYKES.‡

J. H. THOMAS.

BEATRICE WEBB.

MICHAEL HESELTINE,

Secretary.

14th December, 1918.

* Signature subject to the Note below.

† Signature subject to the Reservation below.

‡ Signature subject to the Note below.

Note by Mr. Montagu.

I have signed the Report because I am in general agreement with the purport of the recommendations contained in it. But I think it right to place on record the fact that my absence in India during the greater part of the period covered by the Committee's sittings, and the pressure of work in relation to Indian affairs arising since my return, have, to my regret, precluded me from participating in many of the deliberations, and from attending most of the meetings, of my colleagues.

Reservation by Sir George Murray to Part I, paragraphs 38-47, of the Report.

Employment of Women in the Civil Service.

I feel unable to concur in some of the views expressed in paragraphs 38-47 of Part I of this Report, which relate to the employment of women in the Civil Service.

They appear to be based on an assumption which I believe to be fallacious—namely, that (for all purposes relevant to the present question) women and men can be employed indiscriminately without loss of efficiency and without increase of cost.

Enquiries are being conducted by other Committees into the whole question of the employment of women in the service of the Government; and until the results of these enquiries are known any definite conclusions must be premature.

Note by Colonel Sir Alan Sykes.

The Committee had made considerable progress with their deliberations when, in November, 1917, I was added to their number, and the pressure of other duties has since prevented me from examining with the care which they seem to require the detailed proposals contained in Part II of the Report.

While, therefore, I append my signature to the Report because I am in general agreement with the principles suggested in Part I, I do so on the understanding that I am not thereby expressing any opinion, favourable or otherwise, in regard to the precise methods suggested in Part II for the application of these principles.

